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29 August 1979

## WEST EUROPE REPORT

No. 1462

## CONTENTS

PAGE

## EUROPEAN PARLIAMENT ELECTIONS

## FRANCE

- Debre Interviewed for Views on European Parliament  
(Michel Debre Interview; LE MONDE, 30 May 79) ..... 1

## COUNTRY SECTION

## INTERNATIONAL AFFAIRS

- French-German Missile Cooperation Discussed  
(J. P. Meyer; L'AERONAUTIQUE ET L'ASTRONAUTIQUE, No 76,  
1979) ..... 12
- French Space Cooperation Surveyed  
(Hubert Curien; L'AERONAUTIQUE ET L'ASTRONAUTIQUE,  
No 76, 1979) ..... 20

## DENMARK

- Autumn Outlook: Heated Political Controversy on All Fronts  
(Egil Sundar; AFTENPOSTEN, 21 Jul 79) ..... 26

## FEDERAL REPUBLIC OF GERMANY

- Political Parties' Attempt To Deal With Debts Discussed  
(Harmut Klatt; DEUTSCHE ZEITUNG, 3 Aug 79) ..... 29
- Projects for Coal Gasification Discussed  
(WIRTSCHAFTSWOCHE, 23 Jul 79) ..... 33



## CONTENTS (Continued)

Page

## FRANCE

PCF Continues Self-Analysis; Studies Problems, Weaknesses (FRANCE NOUVELLE, 7-13 Jul 79) .....	36
Communists, Left Disagree Over Vietnam (LE MONDE, 30 Jun 79) .....	43
Need for Defense Dialog With Third World Explained (Jean Arrouays; DEFENSE NATIONALE, May 79) .....	45
France's Military Intervention Capacity Discussed (Michel de Peyrat; DEFENSE NATIONALE, May 79) .....	51
Problem of 'Awakening' Researchers Reviewed (Jean-Robert Leselbaum; LE NOUVEL ECONOMISTE, 30 Jul 79) .....	56

## SPAIN

PCE Organ Comments on Government's Economic Policy (Editorial; MUNDO OBRERO, 22 Jul 79) .....	65
Basque Business Groups Form Confederation (EL PAIS, 21 Jul 79) .....	68
Prospects for 'Crisis' in Export Sectors Foreseen (Jose Luis Carrascosa; ABC, 6 Jul 79) .....	70
Resume of 1979 Spanish Budget (THE SPANISH ECONOMIC NEWS SERVICE, 24 Jul 79) .....	72

## SWEDEN

Left Party Communists Outline Campaign Strategy (DAGENS NYHETER, 26 Jul 79) .....	75
Werner: Palme Must Reject Cooperation with Nonsocialists (Ake Ekdahl; DAGENS NYHETER, 27 Jul 79) .....	77
Palme Calls for New Clampdown on Tax Cheaters (Olof Palme; DAGENS NYHETER, 25 Jul 79) .....	79
Center Party Promises Lower Taxes, More Jobs (Ake Ekdahl; DAGENS NYHETER, 28 Jul 79) .....	83

## SWITZERLAND

French-Speaking Front Opposes Federal Constitution Draft (NEUE ZUERCHER ZEITUNG, 28 Jul 79) .....	85
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DEBRE INTERVIEWED FOR VIEWS ON EUROPEAN PARLIAMENT

Paris LE MONDE in French 30 May 79 pp 1, 8-9

[Interview with former French Prime Minister Michel Debre by Andre Fontaine and Andre Passeron]

[Text] Beginning today, LE MONDE will publish a series of interviews with those individuals heading the tickets of French candidates in the European elections. In general, they follow the order of the announcements made by Mr Raymond Barre (LE MONDE of 25 April) and offer those in question an opportunity to respond to the main objections raised concerning the platform and composition of their tickets.

[LE MONDE] Mr Prime Minister, the European elections have split the majority. What good do you expect from this for the government and for France? Do you consider these divisions to be very deep?

[Michel Debre] When the decision to elect the European Assembly by popular vote was made at the Paris summit in December 1974, domestic policy, without being considered exclusively, was not overlooked. We have to go back to the months following the presidential election: the concept invariably expressed at that time was not of governing at the center--the act of governing is always at the center--but of governing by the center. In other words, in considering the European choices, it was a question of finding a new, European majority among socialists and moderates, as though France could or should be governed with a majority which would not be a French majority!

Subsequently, considering that the great scheme was premature to say the least, the particulars of the matter were completely changed. Whereas there was talk in 1974 of a "parliament" which it was imagined must one day have legislative power and which would be part of a structure in which the executive would have made its decisions according to the majority, there was instead a return to the "Europe of realities," i.e., a Europe of a partnership of nations. I might even say that there was a good deal of

embarrassment over this decision on European elections in high political circles at that time. A great effort was made to try to explain that the various components of the majority had the same concepts of Europe. But that isn't possible, since it isn't true. In European matters, certain people are opportunists--without using this term in a pejorative sense--which means that, depending on the circumstances, they are supporters or opponents of transfers of sovereignty or supporters or opponents of France's reincorporation into the Atlantic alliance. Others who have remained loyal to experience, including myself, believe that the Europe of the Fourth Republic's relinquishments is part of a past era and that everything which may appear to be a return to transfers of sovereignty, and consequently to Atlantic reincorporation, must be earnestly and openly eliminated.

Consequently, there are differences within the majority. Sometimes they are voluntarily smoothed out and there is talk of convergences. On the other hand, sometimes these differences are more pronounced and we are considered anti-European, even though we use the same language which we have always used. This certainly does not promote and will not promote majority cohesion in the difficult times ahead for us.

[LE MONDE] If you believe that the underlying causes which led to the European elections are of a "domestic" nature and that they derive from the search for a new balance of political forces in France, do you therefore conclude that the results of 10 June could have effects in this area?

[Michel Debre] I believe that I can say that the aims of the president of the republic are complex, deriving partly from foreign policy, partly from the commitments made to certain constituents who helped him to get elected and partly from domestic policy. But the balance of political forces is determined by parliamentary elections and by them alone.

The game consisting of governing with a majority other than that determined by votes is a game of the Third and Fourth Republics; it cannot and must not become a practice of the Fifth Republic under any circumstances. In March 1978, the French chose a majority--as well as a type of society at the same time--and there may be some question of challenging this choice within 5 years, except in the event of dissolution. Having said that and to answer your question very completely, I do not rule out the possibility that certain people may be tempted, on the day after the 10 June vote, to return to the "great schemes" of 1974. Such an attitude would jeopardize the government's efficiency at a time when economic, financial and social problems retain priority, by the very nature of their seriousness.

[LE MONDE] Mr Raymond Barre has personally endorsed the ticket headed by Mrs Simone Veil and has stressed his loyal support of the confederate formula, saying that it represents the most advanced form of organized cooperation while protecting the independence of member nations. He categorically ruled out any idea of supranational development of community institutions. Can you summarize for us what, under these conditions, distinguishes your

own ticket from Mrs Veil's? Do you completely rule out the idea that among those whom you describe as opportunists, there may be those who have realized that yesterday's dreams have flown today and who have finally embraced very sincerely what you call the "Europe of realities"?

[Michel Debre] When I look back just 2 or 3 years ago, when I reread the remarks I made when I created the Committee for French Independence and Unity, for example, and when I read the criticism thrown in my face at that time, I am delighted to note that those who had criticized me are today again using exactly the same language and, I hope, the same ideas behind this language.

I am quite ready to believe that their development is final. However, let me make two remarks: I was very surprised to hear the president of the republic talk about the possibility of a referendum to amend the constitution. I must say that isn't what I expected to hear. I expected to hear him rule out the notion of a constitutional amendment. What could be the reasons for this referendum? A new transfer of sovereignty? An electoral system carving out new electoral districts in France, which was declared unconstitutional by the Constitutional Council? As a result, my worries have grown since the Alsace speech.

If it were really agreed that we were heading, as Mr Barre indicated, toward an organized form of a partnership of nations, our constitution would suffice. It provides for treaties; it provides that if they are in harmony with the constitution and if they are applied mutually by all participants, they have a value equal and even superior to law in France. Thus the doubts which I have always harbored have instead grown recently. I am afraid that, under certain pressures, we will end up with new treaties in accordance with what you call an abandoned ideology.

For example, I find it striking that certain individuals, in good positions on the ticket headed by Mrs Veil, are silent; I believe that I can say that they are silent because they would not have the same viewpoint as their ticket leader and the prime minister, who supports her.

[LE MONDE] Isn't there a paradox on the part of the RPR [Rally for the Republic] in simultaneously condemning the general orientation of government policy and maintaining its ministers within this government?

[Michel Debre] Neither of us was born yesterday and we both know the nature of political groups in France since the republic and I would even say before the republic. Right or wrong, individualism and perhaps a certain wealth of individuals lead to people assessing the general interest and its service differently, even when they belong to the same group.

What I regret is that we are reverting, through institutions which give the French government an honorable standing, to a fault from which I suffered for a very large part of my life, at the end of the Third Republic and then again very soon after the liberation: I do not find that the

political class--and by that I mean not only those who are elected, but also all those concerned with the affairs of France and the government--is demonstrating the proper ability for governing. Instead of starting out from requirements and drawing conclusions with regard to government, they start out from a parliamentary situation and derive the way to deal with the requirements.

Do you want me to pursue my thought? We know that France cannot continue to exist with public finance and social security deficits which fuel, I wouldn't dare say inflation, but hyperinflation. Everyone recognizes that it is inconceivable to imagine a worthwhile future for workers if savings continue not to be invested in new industrial or agricultural activities, which create jobs. Everyone is starting to recognize that if, in domestic policy, absolute priority is not given to the family policy of mothers and children, in 10 years we will find ourselves in an extremely disturbing economic, social and political situation; that is the least that I can say.

In view of these requirements, to which must be added what I call the economic war, which oil prospects are only intensifying, what kind of government must France have? My conclusion is that it needs a government of public welfare; and may I say: before it's too late.

This is not the approach which we are witnessing. Looking over political groups, listening to the demands of professional and trade unions, examining intellectual and psychological trends and, having thus made an examination of existing political factors, we readily draw the conclusion that there can be no course of action other than the present one. You know the formulas; they are as old as governments. We do the best, we avoid the worst!

I consider that viewpoint and those formulas despicable. Be well aware that I am neither a prophet of doom nor an advocate of the apocalypse. On the contrary, I am shocked to see that, through all the experiments with the monarchy and the republic and in view of the world situation today, we are reverting to what I witnessed under the Third and Fourth Republics: people knew perfectly well in 1934, 1935 and 1936 that there would be a war; they knew perfectly well in 1954, 1955 and 1956 that there would be a tragedy overseas and even domestically, from an economic and financial standpoint, and yet they said nothing; or rather they said a lot but did nothing.

History does not repeat itself in detail, but there is a repetition and that repetition consists in thinking that without making any effort, even when the situation is serious, things will be able to be better tomorrow. I am convinced of the contrary to such an extent that, with all due respect for those with responsibilities, which their hard work and good faith deserve, deep within myself I say: that is the way in which governments are allowed to fall.



[LE MONDE] You just spoke of economic war. Allies are necessary in a war. Do you think that the Europe of the Nine could constitute for France a framework which would enable it to cope with a measure which, after all, is not limited to only our country?

[Michel Debre] I will answer you without hesitation: Yes, but on certain conditions. For example, it is clear that in view of the set of problems posed by the political attitude of oil-producing countries or the trade expansionism of certain countries with cheap labor or in view of the unprecedented protectionism of the United States of America, it is good, useful and even necessary for there to be a common view and thus an alliance. But it is difficult to put into the minds of others what we have in our own minds. Great Britain believes that the high price of oil is contributing to its recovery to a very large extent. This view is also shared by the Dutch owners of their gas. We are in a rather special situation in the case of Germany, since its exporting capacity and the revaluation of its currency have enabled it to withstand the price increases more easily than ourselves.

France also has a concept, which I consider correct, of its agricultural and industrial development, which rules out the relinquishment of sectors, whereas other countries, with perhaps greater trade capacity than our own, very readily accept specialization which is not suitable for us.

Thus it is apparent that the alliance is an alliance which is not just a matter of course. Shall I remind you of the situation which we observed throughout the course of those ill-fated negotiations known as the "Tokyo Round" and which are still not concluded? Our partners clearly demonstrated their willingness to open the European market, regardless of the protective measures set up by the Americans or Japanese against our products, provisions taken to protect some of their special interests--a position which we cannot accept. For the second or third time, we have heard American promises. Once again, it is possible that these promises will not be kept. One proven case, among others: a few days after the end of the official negotiations, the Americans decided to slap compensatory taxes on sugar imports from France, Germany and Belgium. Why? Because the American Treasury was of the opinion that the increase in our sugar exports "prejudiced the interests of American producers . . . ." In this instance, as in that of the iron and steel industry, the European Community did not manage to adopt the attitude of resolution and determination which it should have in major international negotiations.

In brief, the alliance would be highly useful. I consider it necessary. But again, this is easier said than done.

As a result, which is true militarily as well as economically, someone is heard to the extent that he is strong. And so we come back to problems of domestic policy. By that I mean that the stability of our currency, the growth of our investments and the strength of our exports, particularly within the Common Market, are all factors which give us credibility when

an alliance. Conversely, the weakness of our currency, rising unemployment and the decline of our exports, particularly within the Common Market, are all factors which do not encourage an alliance, which would run the risk of backfiring on us. I obtained the joint agricultural policy at the beginning of the Fifth Republic. Would we get it now?

In other words, we must first be strong, after which the others can rely on us and we can rely on the others. And your question leads me to a conclusion which I am amazed to not see on the lips of all men of politics: the European debate is a totally deceptive debate if it has no preface. I hear it said that Europe is peace, Europe is prosperity, Europe is the end of unemployment, Europe is progress. I readily endorse these statements, but only if the French are told: first do what is necessary to be strong yourselves. You will be respected insofar as you are respectable.

The English, German and Italians have no interest in reducing the number of unemployed if you don't have a policy against unemployment. They have no interest in your having a strong and independent army if you don't do what is necessary to maintain that army. In other words, and this is perhaps the basic difference which you were trying to make me define when you mentioned the difference between the ticket supported by the government and the ticket which I have formed with Jacques Chirac, we say to French men and women regardless of what happens: be careful, if a European debate is not preceded by everything which you have learned from history and, in our time, by everything which you have learned again from General de Gaulle, i.e. "be strong," this European debate is a deceptive debate. It is promising only insofar as you have clean hands in every respect.

[15 MARCH] Like General de Gaulle and Georges Pompidou, Mr.iscard d'Estaing recommends a confederate Europe. Are you yourself favorable to this formula?

[16 JUNE 1974] I don't use the word "confederation" because it is ambiguous. I prefer "cooperation." General de Gaulle used the expression "the diminished confederation" just as he used "the earnest obligation" on the occasion of the Plan. This exceptional mastery of the French language gives a certain clarification to the adjective preceding the noun.

By that I mean that the word "confederation" or the word "obligation" have a legal meaning when used alone, whereas from the time that you use "diminished" or "earnest" with them, you leave the field of law to enter the realm of a certain political as well as idealistic concept.

The real difference is well known and many men, such as Mr. Foue de Mirville, have often explained it. I experienced it around the fifties: it lies in what separates the limitation of sovereignty from transfer of sovereignty. If nations are organized according to general principles and if nations mutually limit their sovereignty to implement joint actions whose supervision they retain, this is a form of European cooperation which may be called, if you wish, "confederate," provided it is well clarified.

In contrast is the concept of transfer of sovereignty, i.e., of relinquishment. I am against it on principle, since I consider it contrary to the legitimacy of the republic and I am bound to say from experience, if only in the iron and steel industry, that it holds the worst surprises for us.

[LE MONDE] This is more or less what Mr Barre said in his interview with LE MONDE . . .

[Michel Delire] When Mr Barre speaks, once again I believe I can make out a light which, although hazy, is not very different from that which clarifies some of my remarks. But then I ask the question: "What is this Assembly which has been set up without amending the article of the Treaty of Rome establishing the Commission's responsibility to it, i.e., an Assembly which everyone knows is promoted and has been promoted by those who had a completely different concept of Europe?" When I began to see the path we were taking in 1974, in the privacy of ministerial staffs, I said: "Be careful; since you are being led to conclude an international agreement, see to it that you do so by limited negotiation sessions, by defining the agenda, by amending the article on the Commission's responsibility and that your call for a popular vote corresponds more to the representative assembly of nations rather than to an assembly which has all the features of an assembly of only one representative therein, as originally intended." I do not underestimate the importance of the change in language which I have observed taking place before my eyes for 18 months or 2 years; but I am obliged to say that I would believe in that change in language if, at the same time that an agreement was made to resort to a popular vote, the Treaty of Rome had been amended by eliminating the Commission's responsibility, for example, or by determining, under conditions of which both the British and French parliaments were aware, regulations making it possible to prevent that Assembly's faculties from being exceeded.

In other words, it is clear to us--and this is not only a result of the election campaign, although it has played a large part--that we have here a case of different languages which some people are trying to equate as identical, or very similar in any case, with ulterior motives which are not the same. There is a great deal of ambiguity. This ambiguity became very obvious a few months ago when we saw Mr Giscard d'Estaing say white and Mr Schmidt say black: since then, both have done their best to say gray. And yet what history will record--and experience will prove--is that a huge mechanism has been put into play to protect a concept which was not the one in whose name that mechanism was planned, and while concealing the fact that the language spoken on either side of the borders was not the same.

[LE MONDE] Do you expect to see the European Parliamentary Assembly quickly exceed its powers?

[Michel Delire] In coming weeks . . . how do you expect it to do otherwise? It will establish a Constitutional Commission, which it has no right to do; it will try to set up a foreign affairs commission which will very quickly



become concerned with problems of defense, which it has no right to do. As I have said and written that a European Assembly should be allowed to debate all issues uniting or separating European peoples, I see no objection to this and I am even favorable to it. What I do not approve of are fact-finding and study commissions or motions passed on issues which are not strictly defined by the economic and social sections of the Treaty of Rome on the Common Market.

Perhaps I will even surprise you. This Assembly will try to become concerned with human rights, whereas in my opinion human rights come under the Council of Europe and not under the Assembly of the Communities. But what are the ulterior motives of some of the members of this Assembly and especially of some of its proponents? They are to oppose governmental and national unity by way of human rights. Silence has quickly fallen on that brochure, scandalous in my opinion, published at taxpayers' expense by the Assembly and Commission at the same time and which finds that France has violated human rights in the same way as Chile. And why? Because the police detained for several hours--and the Ministry of Justice interrogated for several hours--an individual suspected of having taken part in a separatist attack on the Palace of Versailles. The issue--the authors of that brochure were well aware--was not human rights. It was actually the rights of France which were under attack.

Well! Have no doubt, the battle will be severe on all fronts.

[LE MONDE] Thus you consider yourself, you and the ticket on which you appear, practically the only defenders of French independence?

[Michel Detret] I have said that we are the only ticket which does not approve of transfers of sovereignty. There again, we have always been accused unjustly, particularly myself: on the pretext of being unfavorable to transfers of sovereignty, we have been called chauvinistic nationalists. This is classical hypocrisy. The truth, which has been proven, is that limitations of sovereignty or agreements for joint programs are the way to a productive Europe. Our distinguishing characteristic is hostility to transfers of sovereignty.

In my case, I will give an example which I often bring up, but which is never mentioned: when I had to make the decision on the Pierrelatte plant as prime minister--civilian plant: low priority; military plant: high priority--I told General de Gaulle, who had given me the "green light," that in the case of the low-priority plant I was going to ask our partners if they would agree to make it a European plant. This was a joint action aimed at producing enriched uranium in Europe for civilian purposes. I received a shower of refusals within a few weeks.

I am told today that it is because this or that country had another process in mind. This is an invention a posteriori. In reality, the American ambassadors in every capital promised our partners that American enriched uranium would be sold at a lower price than enriched uranium produced by a

European plant. What is a more dramatic example of joint European action than that which I have offered? It is not the idea of independence which is in question. Contrary to what some people have said for 25 years, I have said and written that agreements limiting sovereignty or establishing joint programs are the best European agreements. But transfers of sovereignty derive from another philosophy and that is where my hostility is total, for reasons of principle as well as for practical reasons.

[LE MONDE] And in that respect you feel that determination is much less firm in the other tickets than in your own? Aren't you making an intentional accusation of the other candidates?

[Michel Debre] I am not intentionally making an accusation. On the other two tickets--the government and socialist tickets--you have men who do not conceal their past, present and future as supporters of supranationality. They are not using this language at the present time, but I have no illusions in that regard and neither do you.

[LE MONDE] That last remark leads to an overall judgment concerning the effectiveness of European action over the last 30 years. The more we look at this undertaking, the more we have a certain feeling of failure. Don't you think that the European idea is slightly worn out and that it therefore has little chance of spreading now?

[Michel Debre] With a great deal of pride--and I apologize in advance to you and to your readers--I will tell you that if I were at the helm I would promote the European idea, because once and for all, as a jurist, I would put an end to all the institutional arrangements presented to us as European construction, when they are only a kind of legally appearing spectacle intended to create jobs.

What are the common interests of Europeans today and tomorrow? I assure you that it won't be long before people of integrity agree on how to define these common interests. I will give you a few examples: Are we going to let the field of space be monopolized by the Russians and Americans? Will world telecommunications be American, Russian and possibly Chinese? Won't there be a European telecommunications network? And I add: Wouldn't we have created a feeling of solidarity far surpassing the miserable results of all the many conferences over the last 15 years if we had become partners to send Europeans into space, as I proposed in 1961 as prime minister.

I will take another problem, that of the likely future store of wealth for humanity, the oceans and seabeds. As in the case of space, our European nations are probably not in a position by themselves to function other than as craftsmen in researching and developing this wealth. This is a field which, along with the field of space, represents an unprecedented field for the future.

I will mention a third aspect, which is not the least important: I am the only one to say that all European governments are in the process of preparing a dead Europe for us.

There are actually countries in which the number of deaths already exceeds the number of births and other countries whose development is heading in that direction. So when I hear those European braggarts talk about an all-powerful Europe, whose population I see declining, I wonder which is right: the soothing remarks of those individuals or my own slightly impassioned language?

In other words, they have managed to reduce the European debate to nonsense. Let us approach it instead as, for example, General de Gaulle approached the problem of Franco-German reconciliation and as the Germans unfortunately did not understand, i.e., let us approach it within the scope of realities.

[LE MONDE] Among European nations, the FRG is the country whose economic dynamism is most notable and we gradually feel it taking a little more liberty in regard to the United States. There is more and more interest from the Soviets. Do you expect a major development in German policy in future months and years? More generally, do you believe that Germany will finally be reunified and do you consider that result desirable? What policy do you recommend for France with respect to the FRG?

[Michel Debre] I can hardly respond competently except to the end of your question. I am among those who have always thought that we had two obligations: the first, never to forget the past; not to forget either the Wilhelminian policy or the Hitlerian policy or what resulted from them. But another obligation is to see to it that our children never go through what we and our parents experienced.

Of course, there is a language and an attitude to be expressed. I expressed this language very early. As for attitude, there is only one: the strength and ability of France. Among nations, relationships are always relationships of strength; one nation never does for another nation what it doesn't do for itself. We all want a profound reconciliation. This requires what is known as overlapping interests. It also requires that each party is aware of its own interests and that one cannot require the other to accept its interests as its own. Since these are the requirements, a balance of strength is necessary. It is true, and I have always said so, that a certain deterioration of relations with Germany, which we note, is not the fault of Germany, whose efforts and policy followed thus far we can only respect. It is the result of our inadequacy. If you have seen me so uneasy since 1972-73, it is because since that time--as LE MONDE readers could attest, whom I have asked several times to keep my articles to reread 5 to 6 years later--I said that by accepting 10 to 12 percent inflation and not keeping an eye on community policy, too deeply impregnated with economic ideas unfavorable to the development of France, we would create an unbalanced situation from which we would suffer.

The president of the republic has said that we would catch up with Germany in 10 years; we were on an equal footing 10 years ago from the standpoint of currency, the economy and the birthrate. If an imbalance has occurred, again let us not blame Germany, but let us learn our lesson from this.

Why was the French inflation rate twice as high as the German inflation rate in 1974, 1975 and 1976, two and a half times higher in 1977 and four times higher in 1978?

Why has the franc lost slightly more than one-third of its value in relation to the deutsche mark over the last 5 years? I am in no way trying to blame this or that politician or this or that group and I am perfectly aware that the opposition's programs, even less than the majority's programs, have not been in keeping with the reality of the public welfare. But if we want to again feel in future years that there is a possibility of lasting cooperation with Germany, it is up to us French to make the effort. Things will change beginning at that time, for ourselves at any rate but I believe for the Germans as well.

[LE MONDE] What is your conception of European relations with the Third World? Do you believe that there are Third World features which would make it possible to imagine expanding the market and boosting the national economy? Are you attracted by the idea of a Marshall Plan for the Third World, which has been much discussed recently?

[Michel Detre] I will answer you affirmatively, with two observations which are essential in my opinion: the first, that there is a rich Third World and a poor Third World. As long as they are confused, we will be powerless to act. The second observation is that a European or Western Marshall Plan implies not only a 35-hour work week but, if necessary, 1 or 2 additional hours of work for everyone, so that the increase in production, and consequently in revenue, will make it possible to satisfy needs. If this is not the case, this Marshall Plan will cause a kind of world boost in inflation. But if both of these two observations are taken into consideration, the idea of generosity from industrial countries or countries rich in raw materials toward others is certainly one of the great ideas of future years.

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## FRENCH-GERMAN MISSILE COOPERATION DISCUSSED

Paris L'AERONAUTIQUE ET L'ASTRONAUTIQUE in French No 76, 1979-3 [May-June]  
pp 71-72, 74, 77

[Article by J. P. Meyer]

[Text] Twenty years later....

An anniversary can be celebrated this year: the 20th of the first European experience in cooperation in the area of tactical missiles.

In fact, it was in 1959 that the first study with trilateral collaboration was born. It was a matter of determining the essential characteristics of a system of defense against aircraft flying at very low altitude.

At that time the United States had commenced development of the Mauler, a sort of mini-Hawk.

The European study was less ambitious. It was conducted, under the aegis of the German Government, by British, French, and German manufacturers. Its conclusions served as the basis for development of such systems as the Roland and Rapier.

For its part, the United States was compelled to abandon the Mauler and in the end to adopt a European system, the Roland.

Other European cooperation experiences came about during those 20 years and it is interesting to draw up a balance sheet and attempt to derive lessons for the future from it.

## French-German Cooperation

The experience which we have just mentioned took place at a time when there had already been an expressed desire for cooperation by the French and German governments and industries in the area of weapons systems based upon missiles.



That desire, at first political, was a direct result of French and West German rapprochement, the architects of which were Chancellor Adenauer and General de Gaulle. That rapprochement was materialized in the cooperation agreement signed by the two countries in 1962.

At that time the companies which were then known as Nord-Aviation and Bolkow Entwicklungen were already partners in several missile ventures: in the area of new studies (ground-air, low altitude for example) as well as equipping the Bundeswehr (AS30 for the F104 Starfighter).

In 1961 it was contemplated to establish a multinational company to receive and manage a contract to develop a ground-air, low altitude defense system. That company never did see the light of day, in particular because of the defection of the British Aircraft Corporation which preferred to develop its own system that became the Rapier.

Working relations at the French-German bilateral level continued. They resulted, in accordance with the wishes of the governments and the interests of the manufacturers, in organizational agreements for association. These were the agreements which were prelude to establishment of the Euromissile group. That group is the only example, to our knowledge, of a permanent association for the purpose of cooperation in the area of tactical missiles. It is for that reason that it seemed to us to be of interest to describe their genesis and modes of operation.

#### Association Agreements Between Nord-Aviation and Bolkow

These agreements became effective in September 1962 after they were approved by government authorities.

They covered, among other things, the following programs: light anti-tank missile for infantry (Milan); high subsonic antitank missile (HOT); and clear weather ground-air, low altitude, missile (Roland I).

To these there must be added: In 1964, air-surface missile (Kormoran); and in 1967, the all-weather Roland.

They covered the entire development from project stage and extended to sale of jointly mass produced units.

They instituted collegial management for each program exercised by a coordination committee responsible for execution of government contracts in the domains of organization, equalized distribution of jobs, work coordination, and technical and financial supervision.

At the same time the two countries signed agreements related to management of studies and the methods of awarding and managing contracts.

The two companies quickly felt the need to complement their association with a joint organization for marketing their products. For that purpose in 1965 they established the SARL [limited liability company] Union for Product Sales (UVP). That company carried the seed of Euromissile. It had, as a matter of fact, by virtue of its by-laws important prerogatives, such as: research, study, and coordination of necessary facilities of all kinds from study of markets to after-sale service of weapons systems; negotiation and conclusion of contracts, sales, and licenses; and effecting all necessary measures for proper execution of contracts (information, centralization, and coordination).

#### Conventions on Management of Bilateral Projects

The 1962 agreements instituted collegial project management at the manufacturing level. Therefore, responsibilities remain diffused.

On the government side the only decision-making body was a directorate committee, with numerous commissions meeting periodically with no real coordination of their activities.

Because of this the chains of decision between official services and manufacturers were ill-defined. In the face of the scope assumed by developments (Milan, HOT and Roland) new conventions fixed the conditions for exercise of the functions of general contractor. It was thus that in 1969 (still under the aegis of the governments) Messerschmitt-Bolkow and Nord-Aviation signed a convention governing the management of projects: for each program designation of a firm having the responsibility of general contractor, itself choosing from within its ranks a project chief. The assistant project chief was named by the partner firm.

For their part the governments established the French-German Programs Bureau (BPFA), a permanent joint organization, acting as spokesman for directorate committees, administrator of bilateral contracts, and direct contract with manufacturers.

#### Birth of Euromissile

The delegation by the governments to a permanent joint office--the BPFA--to handle all the problems related to the three programs rendered it necessary to establish an equivalent organization at the manufacturing level.

That necessity coincided with the already manifested interest of the two companies, AEROSPATIALE [National Industrial Aerospace Company] and MBB [Messerschmitt-Bolkow-Blohm] (of which Nord-Aviation and Bolkow, respectively, had become integral parts) in having available a permanent joint team in position to coordinate all joint activities and, in particular, to serve as day to day spokesman for the BPFA. Such is expressed in

the preamble to the by-laws of Euromissile where one may read, among other things:

"The development of tactical missiles, namely the Milan, HOT and Roland, has up to now been conducted within the scope of pragmatic cooperation between the responsible divisions of the AEROSPATIALE and MBB firms.

"At a time when there is arising the question of industrial production and sale of Milan, HOT and Roland missiles, in the final phase of development, as well as the possible start of new tactical and target missile programs, it appears essential to give this industrial cooperation a more precise legal, administrative, and financial structure which will allow these programs to be conducted most effectively...."

As a result the two companies agreed to establish, with equal participation and rights, the Euromissile Group; the latter's purpose was performance of the following operations: manufacturing management of tactical missile programs, notably the Milan, HOT and Roland, and target missile programs; study of markets and marketing of the said missiles; and study and development of new and derived missiles.

It is appropriate to add that the establishment of Euromissile also met the desires already expressed by the two governments and therefore met with their full approval.

#### Organization of the Group

Euromissile is a joint economic venture under French law. Its structures include:

- a) a members' assembly consisting of three representatives from each member company (AEROSPATIALE and MBB). Its essential duties are: defining the objectives and commercial strategy of the group and, in particular, launching new programs; establishing resources and controlling their employment; and supervision of the administrative council's activities;
- b) a management council composed of: two administrators (one French and one German, named by the members' assembly); the director of the tactical missiles division of AEROSPATIALE; and the director of the Unternehmensbereich Apparate of MBB.

The management council is empowered to make all essential decisions concerning the conduct of the group conformably with the objectives fixed by the members' assembly.

The two administrators are respectively chairman and vice-chairman of the management council and apply the policy defined by it.



c) Operational services placed under the direct authority of the two administrators and which comprise: a technical and manufacturing directorate consisting of groups from the HOT, Milan and Roland programs. Each of the groups is headed by a program chief and an assistant program chief who are necessarily the program chiefs within their divisions; a product support service; a sales directorate; and a financial and administrative directorate; and general services.

#### Scope of Action

The group fulfills the office of general contractor for cooperative programs.

This general contractor office is exercised in promotion of products, and negotiation of contracts with the various customers, as well as in administration of contracts and their performance.

For these various functions Euromissile is: the decision-making center (management council); distributor of tasks between the two companies; and coordinator of operations.

The presence within the group's structures of division members (program directors and chiefs) enables to be taken into account without delay events occurring in contractual, technical and manufacturing areas and difficulties encountered in the course of carrying out a program to be rapidly surmounted.

#### Present Activities

The Milan, HOT and Roland programs continue to be the main subjects of the group's activities. A brief description of them is given separately from this text.

These systems now are all in the stage of technical maturity. The problems to be handled within Euromissile are therefore: negotiation of new sales contracts; division of production between France and Germany and also, with other countries as well (manufacturing compensation); maintenance of quality and performance within the framework of such division; negotiation, and control of performance, of manufacturing licenses granted to a third party with the difficulties brought about by multilateral administration of specifications; and product support. Maintaining equipment delivered in proper condition is an activity important to the company's reputation.

#### Euromissile's Resources

The French and German governments have agreed to make the group the titular recipient of all bilateral contracts and even of a large part of national contracts for adaptation to the specific requirements of

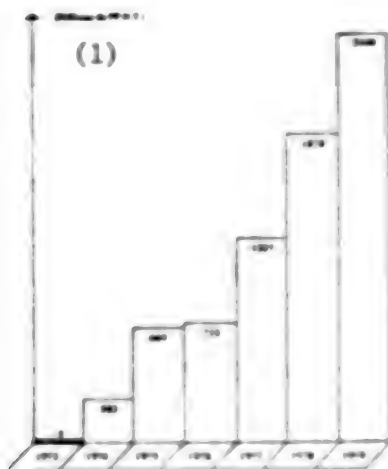
their respective armed forces. In return the two companies have promised that the existence of Euromissile will in no way burden prevailing prices.

There is complete financial flow-through by Euromissile vis-a-vis its members. The results are equally divided between the latter at the end of each fiscal period.

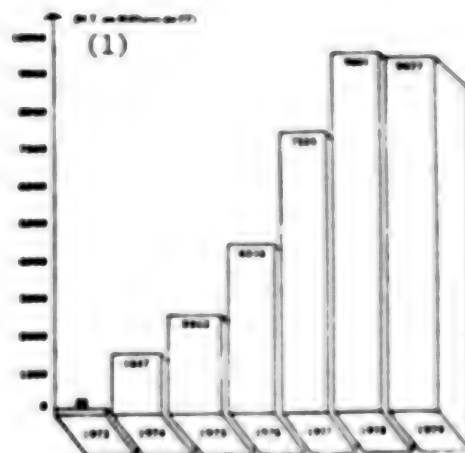
#### Order Backlog and Business Volume

Since Euromissile was established the number and size of orders have grown rapidly. The graphs following speak for themselves.

The contracts received from the French and German governments still constitute the basic activity. However, the group has obtained very large orders from other countries. Exports to those countries now represent more than half of the order backlog.



Total Business Volume



Order Backlog

Key: 1. Millions of French francs (taxes excluded)

#### Other Examples of Cooperation

Besides the Milan, HOT and Roland programs, other missile systems have seen the light of day with international cooperation.

Among others, may be cited: The Martel, in its version developed by Matra Missiles and Hawker-Siddeley; and the Otomat of Oto Melara and Matra, as well as the Indigo, Kormoran, and so forth.

But it is appropriate to mention that these are ad hoc affairs not handled within a permanent group such as Euromissile. A like comparison could be made in fields other than tactical missiles, the aircraft sector in particular.

### Another Type of Cooperation: Licensing

The granting of a license may have different aspects: either that of simple fabrication by the licensee, limited in quantity and time; or that of genuine cooperation between licensor and licensee during the life of the system. Such cooperation is applied, first of all, to administration of the specifications so that they remain, as far as possible, common to the two production lines. In addition, the evolution of these specifications as a function of technical and technological progress can proceed jointly. For example, this is the case contemplated within the scope of the "two way street" between Hughes-Boeing and Euro-missile for the Roland.

### Balance Sheet for 20 Years of Cooperation

From examination of the growth of its business volume and order backlog one may conclude that Euromissile, as presently constituted, provides a suitable solution to the problem of bilateral cooperation. Analysis of the various stages which have led to its present structures may therefore be of aid in seeking the directions of future cooperation to be recommended.

### Advantages of Cooperation

Although Euromissile is, in the first place, the result of a political plan, we shall here adhere only to industrial advantages: In the development phase: the necessary funding, though very great in total, is divided among the participating countries; the contribution of each becomes less burdensome than in a purely national development. (At first approximation one can assume that the funding contemplated for the latter will be multiplied by the square root of the number of participating countries.) The programs exploit advanced techniques: making available the technological resources of several countries widens the range from which one may choose the characteristics of the equipment and makes it possible to end up with systems of greater performance.

In the production phase: the involvement of several governments results in greater stability of the program. Its cancellation can be effected only by unanimous decision and financing difficulties can be better resolved; the obligation that governments assume in signing cooperation agreements impels them to define more rapidly their qualitative and quantitative requirements; manufacturers therefore have better understanding of the quantities to be produced and the production rate to be provided. They can thus optimize specifications and production; cost price is reduced by operation, in the countries concerned, of sole production lines set up to produce the total required at maximum rate.

In the utilization phase: the fact that this equipment enters service in the armed forces of the participating countries at the same time enables their modes of utilization to be standardized: employment procedures, maintenance (overhaul, parts replacement, and repair), and instruction of personnel; and the stamp of approval of those armed forces gives the systems a good reputation and leads to their success in export markets.

However, opposed to these advantages, a number of disadvantages must be presented: difficulties in making equipment jointly, starting with different methods of working and different standards. Such difficulties are overcome within a permanent organization such as Euromissile but it is appropriate to emphasize the importance that truly European norms and standards would have for cooperation; the problem of distributing production among the participants in manner adapted to the funds dispersed by each without compromising quality and price. Fluctuations in exchange rates pose constant problems and inception of a European monetary system would also be a good incentive to cooperation.

Such disadvantages, already appreciable at the level of bilateral cooperation, entail the risk of being rapidly aggravated if the number of partners is increased and other disadvantages may be added to them (language problems, for example). Up to now three have been considered a limiting number for this type of "integrated" cooperation.

Beyond that it will be necessary to establish other rules, possibly patterned after the aircraft sector (Aerbus-Industrie, Panavia, and so forth).

Be that as it may such problems must not be a stumbling block for cooperation. In fact, the complexity of future weapons systems is such that their technical success as well as their cost effectiveness can be assumed only within the framework of wide international cooperation.

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## FRENCH SPACE COOPERATION SURVEYED

Paris L'AERONAUTIQUE ET L'ASTRONAUTIQUE in French No 76, 1979-3 [May-June] pp 79-86

[Article by Hubert Curien, president of the National Space Studies Center]

[Text] On 19 December 1961 the president of the republic signed into law the act establishing the National Space Studies Center (CNES). In 1962 the two European organizations, CERS-ESRO [European Space Research Organization] and CECLES-ELDO [European Launcher Development Organization] were established. In March 1961 representatives of NASA [National Aeronautics and Space Administration] and of the French Space Research Committee, the precursor of the CNES, reached a framework agreement contemplating a long-term program and in 1963 a first operational agreement between NASA and the CNES fixed the conditions for launching the FR-1 satellite by an American rocket. In 1966, during an historic trip to the Soviet Union, General de Gaulle started French-Soviet collaboration which has been continuously reaffirmed. The CNES was to enter quite rapidly into other bilateral agreements with Argentina, India, Pakistan, South Africa, Upper Volta, and Congo. On 6 June 1967 the French and German ministers signed the convention which defined the Symphonie program.

The landmarks of these several dates illustrate the importance of international collaboration in our space activities.

## Geographical Imperatives and Scientific Benefits

One of the obvious motivations for such internationalism is of geographical nature. Rocket launching bases are chosen as a function of the orbits for the satellites. In this respect the Department of Guyana enjoys a privileged location. It has taken the place of installations in the Sahara and enables us to provide services to partners less well situated. When a rocket is fired it must be capable of being tracked by means of a network of ground stations. When a satellite is in orbit it must be controlled. It is a network of stations around the world which are responsible for such operations, which requires agreements for exclusive, partial, or possible installation and utilization.

The technique of balloons of which the French have acquired acknowledged mastery, also has geographical constraints. Observations at high latitudes have obliged us to make releases in Sweden or Iceland. The interest in coordinated observations at magnetically conjugate points have led to performance of experiments in the Kerguelen Islands and the Kola Peninsula. The series of observations in the Southern Hemisphere were conducted from Brazil, Australia, and South Africa. The EOLE program was realized mainly from Argentine bases. Quite recently trans-Mediterranean flights, between Sicily and Spain, were successfully achieved.

Likewise, launching of our rocket probes is effected, depending upon the objectives of the undertaking, from Argentina, Norway, or any other place which constitutes the area of study.

These few examples demonstrate the necessity for scientists and technicians to be able to ignore frontiers in the same way as geophysical, atmospheric, and astronomical phenomena ignore them.

#### European Space Endeavor

But the obvious scientific reasons are not the only ones impelling us to close cooperation. The economic and financial imperatives are often the principal motivating forces. First, because of the magnitude of the basis resources to be employed. For a country of the size of ours, realization of a modern launching facility for satellites of good size is economically possible but a somewhat heavy burden. But above all, amortization of development expenses would be ill assured by only the foreseeable national launchings. Certainly, the builder of a good rocket ought to be able to sell it other than to his strictly national customers, but the market is all the better assured when it is opened from the start by the interest which various countries have taken in the rocket's construction and when it is sustained by coordinated external activity of partners engaged in the operation. It is this principle which has been the point of departure for the promoters of the Ariane rocket which, although financed in major part by France, has been developed within the scope of the European Space Agency (ESA).

With that development project, which was one of the major elements in the ESA program now nearing completion, it is only natural to wonder about the future balance of activities within the scope of that same ESA. First consideration clearly shows that the charter of the ASE and its mode of operation were conceived to allow it to carry out scientific programs and development and promotional operations. In contrast it is less suited for understandings of industrial and commercial nature. That is why we are now proposing to our partners that exploitation of the Ariane be handled within a different framework by an industrial company which can act in the marketplace with the essential flexibility, rapidity, and aggressiveness. Such removal of Ariane production activities from the scope of the ESA



should be considered, not as a failure, but rather as a success of that agency. It is because we are now practically assured of that launcher's technical success that we must also assure its commercial success.

The scientific programs carried out by the ESA enjoy high reputation in international research circles. Satellite costs remain reasonable in comparison with costs of those constructed on a national or bilateral basis. For example, the COS-B satellite, which has been in orbit for 3 years, has provided us with a remarkable harvest of data on gamma radiation. Several tens of new gamma sources were discovered and localized. The excellent performance of satellites, in addition, poses an unanticipated problem: that of providing financing for their exploitation beyond the time which had been planned initially, at the time they were placed into orbit!

Thanks to the ESA, European scientists can also participate significantly in several large programs jointly conducted by that agency and NASA. One of the most important of those, for which Europe is assuming responsibility for 15 percent, is placing a telescope in space in the near future, which will give new life to astronomy.

No less important are the programs situated midway between science and applications. The Spacelab merits special mention. Promoted by our German colleagues, who are assuming responsibility for half of its cost, this program will put Europe at the very heart of the most advanced space techniques. It has caused great hopes to spring up among scientists and technicians, even though some shadows, which must indeed be discussed, are now tempering their enthusiasm. It is, as a matter of fact, that freedom of operation within that large laboratory, embarked upon the American Space Shuttle, tends to be restricted because of constraints imposed by this program's responsible officials. In fact, to the usual space requirements of reliability and weight saving are added all the constraints of safety attaching to manned satellites. Puttering in space is no longer for tomorrow; preparation of experiments to be conducted in the Spacelab will be expensive, and their transportation costs high.

Also between science and application is meteorology. Here, again, the European community can take advantage of a great success--the Meteosat. Every half-hour it regularly sends us photographs of the earth and its cloud cover in three different wavelength bands, and meteorological services are beginning to derive greatest benefit from the data.

As for earth observation, the circumstances are that when France proposed making the SPOT program a European one, its partners within the ESA were not ready to embrace it. Can it be thought that some of them were surprised to find that the French determination went, beyond making statements, to action, since it was decided to pursue the program on a national basis? Moreover, two European countries--Belgium and Sweden--

have joined with us for its realization. The agency is now proposing other missions in nature complementary to the SPOT in the very promising area of applications of space techniques to study of the earth.

Another important branch of ESA activities is development of space telecommunications systems. The early years of the next decade will see the ECS and Marots satellites in place. European posts and telecommunications administrations will be the users of the ECS system through Eutelsat. The negotiations for exploitation of the Marots are more complex. The agency also undertook studies of an experimental heavy platform intended for direct television. If this project is now finding only limited support within the ESA it is because a number of partners consider that industrial capabilities are sufficiently confirmed that such an experimental stage can be eliminated and that constructors can turn to construction of operational systems without delay.

Just as we must wonder about defining the activities of the ESA in exploitation of launchers developed within its scope, it is time to think about the responsibilities it will have to assume in the future in management of telecommunications systems, or more generally, of space systems which are readily exploited. The services of such systems are intended for customers: telecommunications, and possibly television broadcasting, for posts and telecommunications organizations, atmospheric data for meteorological services, and so forth. If these customers can and wish to exploit such systems it is good that they can do so. Such is the case with the posts and telecommunications administrations which have combined at the European level (Eutelsat). Undoubtedly this will be the case in the more or less near future with the meteorological bureaus. The ESA will have to know how to transfer the responsibilities to its customers whenever that proves to be possible. In removing its burdens downstream to competent customers it can strengthen itself upstream, on the side of design, innovation, and prospective. A bright future for an agency which is concerned with its members' interests at a time when the economic stakes are high and where technical trumps are the masters.

#### Working in Paris

Bilateral cooperation is, very obviously, another mode which France has indeed not neglected. The binary associations are not the product of chance but result from factors easy to analyze: proximity, common scientific, political, or economic viewpoints, and the advantages of participation in the most advanced or most ambitious programs.

Realization of the Symphonie satellites by France and Germany is a good example of success. Launched in 1974 and 1975, these two satellites are continuing a splendid career. The manufacturers of both our countries in the instance were able to gain excellent mastery of space systems.



Numerous and greatly diversified missions have been accomplished; they have both enabled us to supplement our "know-how" and also to give proof of it here and there in many places around the world.

With the United States and the USSR the advantages of cooperation are too obvious for it to be necessary to labor the point. The activities which we are carrying out with NASA are numerous. First of all, our researchers are not lacking in responses to calls for offers to participate in this or that mission coming from across the Atlantic. Successes so achieved are noteworthy, one of the most recent, for example, being a contribution to the mission to Venus. On the other hand some special programs have been defined and exploited jointly with American organizations. One of the most recent is the Argos localizing and data collecting system. The signals from several hundred platforms (which will become several thousand) are collected by the Tirus N satellite which transmits them to a ground station in the United States, and from there they arrive at Toulouse where they are processed. The transmitters can be localized with precision on the order of a kilometer. The time delay in making results available to users is 6 hours. This cooperation of the NOAA [National Ocean and Atmospheric Administration], NASA, and the CNES is exemplary under more than one heading, not one of the least of which is effectiveness.

The Sargos, derived from the Argos, and designed upon the same principles, will have the task of locating, and organizing the rescue of persons or ships in distress. The system, defined by the United States, Canada, and France, will be compatible with the corresponding Soviet system.

Cooperation with the Soviet Union, too, could be the subject of a very long chapter. Assured and active, it is support for genuine scientific exchanges between our two communities of researchers and technicians. Study of the magnetosphere has given use to numerous projects, and so has that of gamma radiation, and it is no exaggeration to say that in those two areas we have situated ourselves in a privileged position by virtue of them. Biology and materials preparation in space are also among the more important subjects specially treated. The most important project now on the way is French participation in a Soviet mission to Venus. The French part is to furnish a balloon which, with its equipment, will be embarked upon the Soviet satellite and is going to be inflated in the Venusian atmosphere, where at leisure it will be able to make the most diversified measurements. But now we are thinking of other missions for a more distant future, and the new field of preparation of new or high-performance materials in space seems to us to be an excellent opening. The effectiveness of the Soviet Intercosmos organization, which is our correspondent for all these cooperative space endeavors, deserves to be emphasized.

Certainly, our bilateral cooperation is not limited to association with the big and the very big. We also entertain scientific, technical, and industrial relations with numerous other countries. Sweden and Belgium have decided to participate in our SPOT civil earth observation satellite program. Our cooperation with India is of long standing and is continuing. Our relations with Brazil are taking on renewed vigor. There has just been an exchange of Chinese and French missions for the purpose of defining possible activities. We are helping Third World countries to realize programs related to space techniques, which involve information and education and, further, economic and agricultural development.

To assure effective action in providing advice, engineering, and technical assistance to foreign governments or organizations, the CNES, France-Cables Radio, and the TDF [French Television] have associated to establish a joint economic venture group, Satel-Conseil. The activities of that group, established in July 1978, are particularly directed to drawing up specifications, issuing calls for bids and evaluating responses, contract negotiations, supervision of construction, and establishing training programs.

In addition, is there any need to remind one of the activities of the Prospace Group, established in 1974, which promotes abroad the activities, capabilities, facilities and products of our manufacturers?

#### Knowing How To Cooperate at Home

I have discussed, by design, only international cooperation. But a national space agency such as the CNES must also know how to cooperate with its French correspondents who are its most immediate customers. The importance of our relations with the General Telecommunications Directorate, the French Television, General Delegation for Armament, the National Meteorological Service, and the National Center for Scientific Research, and all the organizations and administrations, ever more and more numerous, who are involved in space techniques, can only increase. The CNES has developed, within our country, a space capability, not by itself or for itself, but in order that the government can make decisions knowing that they are based upon an assured technical basis. Manufacturers also know that the CNES is there to support them in their design and construction endeavors, and to help them in forcing open the doors, often well barred, to export markets.

A clear definition of the relations between the CNES and General Telecommunications Directorate, which has resulted in even closer cooperation since construction of the Telecom 1 system was set, was established by mutual agreement. The CNES will act in the same clear and open spirit with all its French partners.

In cooperation one gains as much as he contributes. The quality of such contribution is a condition of success. We are quite as well aware of that as our partners, near and far.

## AUTUMN OUTLOOK: HEATED POLITICAL CONTROVERSY ON ALL FRONTS

Oslo AFTENPOSTEN in Norwegian 21 Jul 79 p 3

[Commentary by Egil Sundar: "Glistrup Hits 'The Slackers' Hard"]

[Text] Denmark faces a hot political autumn. Discord in both the government and in the opposition, increasing tension between the Social Democrats and the LO [National Federation of Labor Unions], and a coming general settlement of accounts in the matter of "party owner" Mogens Glistrup's tight line in the Progress Party are factors which both separately and in the aggregate may have profound importance for political developments. LO Chairman Thomas Neilsen declares openly that coming months will be decisive for the continued existence of the coalition government and decisive as well to future cooperation between the Social Democrats and the trade union movement. From the very first the LO chairman has been the most out-and-out opponent of the government cooperation begun in August of last year by the social democrats with the Liberals, the largest of the non-socialist parties, aside from the Progress Party. On several occasions the chairman of the Social Democrats, Premier Anker Jorgensen and LO Chairman Thomas Nielsen have had very tough confrontations on government questions, and from time to time the split between the two has been so severe that the combatants have hardly spoken to each other.

During the fall of last year the situation was so tense that a round of mediation and reconciliation talks had to be initiated, which resulted in a temporary armistice. The LO chairman's view of government questions has not changed, however. In Thomas Nielsen's opinion the Social Democrats have been willing to agree to policies to which the LO can adhere--whether or not there is a majority in favor of them. According to the LO chairman, the Social Democrats should relinquish government power rather than seek majorities through compromises.

When the Social Democrats and the Liberals last month reached agreement on the most extensive economic austerity measures in the history of Denmark it was with conditional approval by the LO. One part of the austerity package, dealing with new tax increases, has already been approved by the Folketing, but in political circles there is much speculation on the

possibility of a government crisis in connection with the debate on the new state budget in the fall. For at that time the second part of the crisis policy will have to be dealt with: The reduction of over 7 billion kroner in the public budgets, proposals for frozen index supplements and other measures of restrictive nature expected to be contained in the coalition government's speech from the throne.

#### Heavy Demands by the LO

In the opinion of some it will be impossible for the two government parties to present a joint policy which--be it noted--the trade union movement can agree to. The all-powerful Thomas Nielsen has made it clear that continued cooperation between the LO and the Social Democrats will depend upon whether the trade union movement's concrete demands concerning energy policy are met, including a state oil company, taxation, housing, and employment policy, frozen index supplements, and so on. It is expected that clarification of these questions will take place at a meeting between the LO and the social democratic Folketing group in September. In LO circles this is referred to as the "fateful day" for the continued existence of the coalition government.

The Social Democrats' response to this is, and must obviously be--that the party's political decisions are sovereignly made in the Folketing, not in joint meetings with the LO. This has unequivocally been stressed by both Anker Jorgensen and Karl Hjortnas, the social democratic spokesman in the Folketing. Nevertheless, anybody with a sense of political reality must realize that it will not be possible for a social democratic party to stay on a collision course with the trade union movement in central political questions. And if the LO were to turn thumbs down on the crisis policy the government invites the Folketing to adopt, it is obvious that such a situation would be a serious load to carry for the social democratic party in government coalition with the Liberals. In any case, there is no doubt that the Liberals will, as heretofore, be very busy telling the voters what they themselves have accomplished. Implication: The Social Democrats had to give way.

#### Government Crisis?

Among experienced and knowledgeable political observers, however, there are few who seem to believe in a government crisis in the fall. In the final analysis it is thought unlikely that the two parties--the Social Democrats and the Liberals--will wind up their grandly planned joint government program with a decision too reminiscent of a request for bankruptcy. It would be absurd if a government formed to solve economic problems were to be dissolved in absolutely nothing.

#### No Alternative

In their political deliberations in coming weeks both the government and the opposition must take into consideration that during the present election

period--which ends next year--there is no alternative to the government in power. Since the Liberals let themselves be beguiled by Anker Jorgensen's courtship, shortly after the non-socialist parties for the first time since 1971 had agreed to form a common front against the socialist parties, relations, primarily between the Liberals and the conservative People's Party, have become very strained. And if, contrary to conjectures, the Liberals choose to break off government cooperation with the Social Democrats, one will be faced with the reality of a "Red majority" in the Folketing, unless the two minor parties, the Radical Liberals and the Justice Party, could be induced to vote with the Liberals, the Conservatives, and the Christian People's Party at the same time and place and together with the Progress Party. Today, however, this possibility seems completely unrealistic. Since the historic landslide election in December 1973, when Glistrup's Progress Party marched into the Folketing as Denmark's second largest party, the parliamentary situation has been characterized by a split as never before into a number of smaller parties fighting among themselves. These are parties without consistent and coherent policies and without understanding of and responsibility for the long-range policies which can contribute to solution of the basic problems of the Danish society. Instead, their main efforts have been directed toward calling attention to themselves in individual matters in the hope of increasing their support among the voters. The result of this confusing parliamentary situation has been a number of shifting minority governments with no basis in a firm majority in the Folketing.

A key problem in the situation in Denmark is that no grouping--be it of the left or the right--has been able to obtain the support of the Progress Party in the government setups since 1973. And nobody has wished--or been able to accept--Glistrup influence upon the composition or policies of a government.

Concerning the Progress Party's role and placement in the political picture, a party fight is going on during these summer weeks in full public view, in which Glistrup and his wing--called "the Tighteners"--fight a sullen battle with those of the Progress Party members who desire cooperation with other parties. The latter--referred to as "the Slackers"--think the party should try to gain more influence through its policies. And this calls for cooperation. Confusion about what is to happen is close to total since the board of the Progress Party has refused one of the Folketing group's most prominent members, the "Slacker" Jorgen Junior, permission to be a candidate in the coming election. While invective flies around in the Progress camp, the various fractions are preparing for the most decisive national congress in the party's history.

Nobody can say what this may lead to, for the Progress Party and not least for Glistrup himself. Relations between "Tighteners" and "Slackers" is characterized by mutual contempt and antipathy.



## POLITICAL PARTIES' ATTEMPT TO DEAL WITH DEBTS DISCUSSED

Bonn DEUTSCHE ZEITUNG in German 3 Aug 79 p 5

Article by Hartmut Klatt: "Saving Rather Than Borrowing"

Text Up to now the parties have always shifted their debts onto the shoulders of the state. Let them try savings, just for a change.

The inevitable happened. Profound disappointment was the fate of those who, at party headquarters, had secretly hoped to be able to make the judges of the Federal Constitutional Court act as providers of emergency financial aid. The court dismissed the legalistic quibble represented by a avoidance petition the Lower Saxon Land Government submitted. According to the cunning brain of Walther Leisler Kiep, Lower Saxon minister of finance and CDU treasurer, Karlsruhe was supposed to declare unconstitutional those provisions of the income and corporate tax law, which disallow tax deductions for gifts and contributions to parties in excess of DM600 per person or DM1,200 per married couple (see DEUTSCHE ZEITUNG No 31).

Despite the agreement among the treasurers of the four Bundestag parties, the Karlsruhe Court remained unmoved by the argument. It decided that the limit on tax deductions for party donation is constitutional. It also held that the constitutionality of the existing provision is adequately demonstrated by the equality of opportunities for the parties, their independence of the state and the citizens rights to equal participation in the policy shaping process.

However, the constitutional judges did not write their rejection without offering some consolation. In their opinion the legislature certainly has the authority to raise the maximum amounts for tax deductible party contributions and donations, always provided that "narrow limits" and constitutional checks are observed.

## Election Campaign Expenses

As we all know, hunger is the mother of invention. And there is no doubt that every single party now represented in the Bundestag is financially hungry. Early this year the SPD admitted debts of DM37 million. At the same time the Union deficits amounted to DM30.4 and DM8 million respectively; the Free Democrats were DM2.8 million in the red. The financial bind began to be all too evident in early 1978, and the respective treasurers felt compelled to consider remedies.

Nobody believed it possible to ask the taxpayer to accept a DM1 increase (to DM4.50) per registered voter in the blanket tax payable for election campaign costs. A central fund for donations was to be established at the office of the Bundestag president, but legal objections torpedoed that suggestion. Also a failure was the attempt to agree on raising the tax allowances for contributions and donations to parties. The SPD proposed DM3,000 maximum per person, the CDU advocated tax free gifts of up to DM10,000--and this gap proved too wide to be bridged. CDU treasurer Leisler Kiep, the one subject to the greatest financial pressure, finally thought up the idea of applying to Karlsruhe.

The parties desperate situation is illuminated by the rather unusual step of trying to obtain--in advance--a certificate of non-objection from the constitutional court. For some time past the parties have been suffering from an unavoidable dilemma: The scissors of stagnating revenues and rising expenditure gaps wider and wider. At the same time matters are made even worse because there ought to be, on the revenue side, a reasonable ratio between direct and indirect income derived from tax moneys and the parties own efforts. If such a ratio is not maintained, the parties are bound to become pensioners of the public purse and thus, ultimately, organs of the state.

One fact is quite undisputed: The mass of debt has grown steadily ever since donations dried up substantially. In the year of the last Bundestag elections the parties received donations in the amount of DM100 million; the annual accounts for 1977 show less than half that figure (DM44.7 million). Last year total donations are said to have declined to about DM12.6 million. This dramatic drop hits the Union parties and the FDP particularly hard.

It is likely that potential financial benefactors were deterred by the investigations launched by the public prosecutor's office as well as driven to caution by the difficult economic situation. Wealthy employers paid excessive amounts for worthless so-called expert opinions; moneys which benefited the CDU treasury. The most prominent victim of these dubious practices was Bonn manufacturer Niklaus Fasolt who was fined (and paid) DM58,000 and, at the same time, lost the chairmanship of the Federation of German Industries. Other parties also embarked on money raising methods of doubtful legality. In SPD-ruled Frankfurt lucrative public contracts tended to be awarded only upon payment of six-figure donations.

We may also doubt whether an increase in the tax allowance for party donations alone would suffice permanently to improve the financial situation of the parties. Membership contributions are another item which cannot be raised at will. As the parties turned into mass popular parties, the income from membership contributions rose steadily: For the SPD the rise was from DM18.9 million (1968) to DM56.4 million (1977); for the Christian Democrats it was even greater, from DM6.9 million to DM43 million in the same period. Both parties have lately raised the amount of contribution. They believe that this has taken them to the upper limit of that which it is possible to ask of their members. Official subsidies provide the backbone of liquidity for the parties. In 1967 legislation settled the reimbursement of the necessary expenses incurred in a reasonable election campaign, after the Federal Constitutional Court explicitly forbade any general official financing of the parties.

At the 1976 Bundestag elections the DM3.50 election campaign blanket tax per registered voter provided DM147.2 million for the treasuries of the "top four" parties entitled to receive the subsidy. Related to the period 1973-1976, the taxpayer contributed 25-30 percent of the Bundestag parties total revenues. This "official quota" in party financing rises to 40 percent if we taken into account also the European election tax and indirect payments from tax revenue such as parliamentary subsidies, dues paid by office holders and tax relief for party donations and contributions.

#### No Battle of Gimmicks

No doubt the legislature will promptly cash the promissory note which the Karlsruhe Court issued the Albrecht Government. According to the redefinition by the Constitutional Court this means that the maximum amounts allowed for tax relief in the case of party contributions and donations may be raised to about DM3,000-4,000 per person and year. Yet it would be fatal if the parties and their sub-groups should just leave it at that.

The order of the day must be for rigorous saving. Of course drastic reductions are unlikely. They are out simply because of the pressure of competition from the opposing party as well as the citizens claim on the parties to render certain services. Highly skilled personnel and efficient organizations must be paid for. Still, not every party congress need cost millions, or is every special congress worth the money spent on it. Substantial amounts could be saved in the course of election campaigns. While we need serious and hard hitting discussions of the aims and arguments of the opposing side, a lot of advertising gimmicks could be dropped without jeopardizing voting prospects.

An agreement to limit election expenses would work wonders, provided it were accompanied by objective checks and effective sanctions. Or are we to assume that we can no longer accomplish that which began to be practiced at Bundestag elections in the 1960's?



A second step in the program might be the revision of legal provisions. The party law certainly requires amendment of the clause regarding cost reimbursement for independent candidates in the various electoral districts. Would it not be possible at the same time to require the parties to expand their election reports by submitting a detailed account of their expenditure? It would also serve equality before the law if we were finally to decide on possibly punishing infringements of the party law by, for example, naming and threatening to fine major contributors.

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CSO: 3103

## PROJECTS FOR COAL GASIFICATION DISCUSSED

Duesseldorf WIRTSCHAFTSWOCHE in German 23 Jul 79 pp 28-29

[Text] Prices continue to rise at FRG gasoline stations. But an alternative to the expensive fuel could be obtained from the German coal mines. Horst-Ludwig Riemer, minister of economy in Nordrhein-Westfalen, recalls the experiences from the past. Gasoline is to be produced from coal on a large scale. Its profitability could even be assured by taking recourse to an old law.

"Before World War II plants of that kind were built in only 8 months," Dr Johannes Olivier, chief of the department for energy technology at the Nordrhein-Westfalen economics, recalls nostalgically. Now the "coal-oil plant" planned by his superior in Duesseldorf, FDP economy minister Horst-Ludwig Riemer, will take at least 8 years to build.

Not until then will it be possible for large-scale extraction of 2 million tons of crude oil out of 6 million tons of coal. Preliminary planning must be completed first and then perhaps "by the end of 1981" (according to Olivier) work can begin on the 3.6 billion mark project.

Financing is no problem for the people from Duesseldorf. In his latest government declaration on energy policy Federal Chancellor Helmut Schmidt promised to submit in the winter a program of extraordinary magnitude which will make it possible to proceed with large-scale production of gasoline from coal with vigor and without delay. According to the chancellor "the financing of the program will also be unusual."

This is sufficient basis for Riemer's hope that coal liquefaction will be "a financial joint venture of the Federal government and Nordrhein-Westfalen. We will gladly absolve the Federal government of having to finance preliminary planning as the "basis for decision" and put up the necessary 4.5 to 5 million marks," according to Riemer's planner Olivier. The contract is to be awarded by 1 August.

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A search is in progress for a site and a comprehensive design for the liquefaction plant. The technical details are largely known since in the fall of 1976 the Bergbau-Forschung GmbH [Mining Research Co.] in Essen put into operation a laboratory plant for coal hydrogenation which, according to Prof Dr Werner Peters, director of Bergbau Forschung, operates on the basis of a "modified Bergius-IG Farben process." There the principles were established for building the coal-oil-plant in Bottrop, which is expected to convert daily 200 tons of coal to 100 tons of coal oil beginning in 1981. The results achieved in the laboratory and pilot plant will be used, according to Olivier, for the construction of the large-scale conversion plant.

The method of converting coal to oil was already established in 1913 by Friedrich Bergius. On the basis of his first "hydrogenation experiment" (Peters) the IG Farben, predecessor of the BASF [Badische Anilin und Soda Fabrik], Bayer Leverkusen and the Hoechst AG in Frankfurt built the first large pilot plant which began operating in 1927. According to Werner Peters a total of 12 hydrogenation plants were operating in Germany by 1945 with an annual production capacity of 4 million tons of oil.

This must now serve as a basis for further development of large-scale production, admonishes technician Olivier, "because know-how gets slowly forgotten." The know-how acquired in the time between the wars in the United States and the Saarland is being reviewed. In the Saar, the western coal basin of the republic, even greater progress was achieved than in the Ruhr. Siegfried Jorzyk, director of the research and development department of the Saarbergwerke AG, [Saar Mining Enterprises], has a lead of about a year and a half over the Essen Bergbau researchers. According to Jorzyk the Saarbergwerke were the first to take up "experimental work to develop the IG-Farben process" after World War II.

Saar Minister of Finance Ferdi Behles (CDU) has already awarded a contract for drawing up plans for a 1.4 billion mark large-scale coal liquefaction plant. According to Prof Werner Brocke, board member of the Saarbergwerke AG, the Saar basin will be able to supply enough coal for the large-scale liquefaction plants. Coal production can be raised by 2 million tons to 12 million tons "without great investment." His press spokesman Heinz-Guenther Wrede does not exclude the possibility that, given additional capital investment and man power, with time coal production in the Saar might be raised even to 15 million tons yearly.

Dr Alfred Plitzko, chief of the press and information department of the All-German Hard Coal Mining Association, also believes that the supply of the planned coal liquefaction plants with domestic coal is assured. Dr Karlheinz Bund, chief of Ruhrkohle, stated that an additional 17 million tons of coal per year could be made available in a short time if mining proceeded at full capacity and German coal exports were reoriented.

The price of coal oil could also compete liter-for-liter with the price charged by German gas stations. The difference between the price of high-octane gas at the refinery (without taxes) and high-octane gasoline from coal is only 18 pfennig according to Saarbergwerke calculations. And if by the end of the eighties, when Riemer's gasoline from coal reaches the market, the price difference is not reduced, then, according to Christian Lenzer, spokesman of the CDU/CSU fraction of the Bundestag on research-related matters, gasoline from coal will have to be exempt from taxation.

For Johannes Olivier this so-called preferential taxation of hydrogenation is "old hat" because till 1964 products made from oil which were difficult to refine, such as residual oils and the Ensland oil, enjoyed preferential tax status. "Had this preferential tax status been retained," concludes Olivier, "gasoline from coal would already be competitive today."

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CSO: 3103

PCF CONTINUES SELF-ANALYSIS; STUDIES PROBLEMS, WEAKNESSES

Paris FRANCE NOUVELLE in French 7-13 Jul 79 pp 5-8

[Text] In the issue of 9 June, FRANCE NOUVELLE published a dossier on the PCF [French Communist Party], its supporters and its voters. This dossier produced additional observations from three sociologists: Michel Dion, Elisabeth Dupoirier and Michel Simon. As they came after the results of the European elections, their contributions are all the more interesting.

Membership Registration and Polls

[Commentary by Michel Simon]

The two studies which were published in FRANCE NOUVELLE two weeks ago (see West Europe Report No 1446, JPRS 73871, 20 Jul 79), have the merit of confronting two series of data, the one related to the composition of the Communist Party, the other to its electorate. It must of course be emphasized that the sources are of a different nature. In one case (composition of the party) it is a membership registration; in the other case (electorate) one is working with the results of polls. Having stated these reservations, the results analyzed in the two studies are very suggestive. I will limit myself to a few complementary remarks.

1. Possibly the most striking finding of the study on the social composition of the party is, in comparison with 1967, the considerable increase of the place of women, in terms of percentages and even more so in terms of numbers. This increase can be found at all levels of responsibility, even if the current situation does not satisfy us at all. It is true, for example, of the proportion of women, and primarily young women, among the candidates for the parliamentary election of 1978, compared to that of 1973 (see a study by Philippe Broyer, Didier Cassan and Olivier Da Lage, REVUE FRANCAISE DE SCIENCE POLITIQUE, April 1979). Now, a development of size analogous to the proportion of women occurred in the communist electorate. To be sure, David Sephiha is right in noting that the communist electorate (in this

regard, close to that of the PS [Socialist Party]) retains, unlike the electorate on the right, a clear male preponderance (while there are a few more women than men in the general population). But this phenomenon has been considerably reduced in a dozen years or so. In 1967, for example, the proportion of women in our electorate barely exceeded 35 to 38 percent (see: *CAHIERS DU COMMUNISME*, December 1967 and January), as against about 45 percent at the present time. Conclusion: it is to a large extent due to its progress among the women (and, without doubt, primarily in the young female generation, which has burst so strikingly into all fields of society) that the party has managed to maintain its gross global electoral percentage -- a maintenance which, incidentally, we have every reason not to be satisfied with at all.

2. In the last 12 years (date of the last registration of supporters), the party has been rejuvenated and noticeably more so than the population as a whole. This seems to be even more true of its electorate, equally youthful, at least in 1978, than that of the leftist or ecologist minorities, and much more so than that of the PS and of the right. Not that the situation here satisfies us any more. In 1978 (post-electoral poll by SOFRES [French Opinion Polling Company], see *LE NOUVEL OBSERVATEUR*, 24 April 1978), it was among the 18 to 24 year olds that the percentage of registered abstentions was the highest (three times higher than among those above 35 years of age). In addition, out of 100 18 to 24 year olds who indicated how they voted, 13 percent said that they voted leftist or ecologist. This is to show how much the confusion, but also the demands and new aspirations of this age bracket, which has been selectively hit by the crisis and at the same time so very much present in all the struggles, should concern us. Nonetheless, it is among the 18 to 24 year olds that the Communist Party achieved its best score: 75 percent of the recalled votes mentioned as against 25 percent for the whole of the PS-MRG [Mouvement des radicaux de gauche; Movement of Radicals of the Left] and 34 percent for the whole of the right (the corresponding figures for the population as a whole are, respectively, 21 percent for the PS, 25 percent for the PS-MRG and 48 percent for the right). It would be useful to carry out the same analysis with regard to the European elections.

3. A very large majority of the supporters of the Party are professionally active (which means, incidentally, that the female recruitment occurred primarily among active women: according to the figures published by *FRANCE NOUVELLE*, approximately 75 percent of the female supporters have a professional activity, while the percentage of working women in the total population slightly exceeds 40 percent). Still among the supporters, the proportion of workers remains very high (49.1 percent among the active supporters, as against 38 percent of the whole of the supporters, the "inactive" ones included). These characteristics are reflected within the party's electorate. It is, of all the parties, the most active professionally speaking (which, incidentally, strengthens the idea of absolute priority of work over enterprise) and has, by far, the greatest number of workers, noticeably more so than the party itself. As a matter of fact, more than 50 percent of the communist voters belong to an active working class family, more than 40 percent of them must themselves be active male or female workers, which would



mean that more than 60 percent of the active communist voters are male or female workers. This working class percentage seems to have grown over the last dozen years or so. It should have compensated for the decrease of the percentage of farmers, small businessmen and craftsmen in the party electorate as well as in the active population. On the other hand, the rapid development of upper and mid-level cadres and employees in the active population does not seem to be reflected at the level of the communist electorate, as if the party had at best maintained its influence in these categories. But, in all these points, more thorough examinations and especially much more refined analyses are necessary.

4. From an ideological point of view, David Sephiha seems to have sifted out the essential. On the one hand, a confirmation. The communist electorate remains the most politicized. It remains very attached both to class themes and democratic themes, in other words very much rooted in the translation, still as enduring as ever, of the peoples' struggles and of the French labor movement. And then, there is the fact which represents a discovery made by recent polls: the communist electorate is also, among the large electorates, the most open to questioning which, as they are concerned with jobs, authority, the family, love, ethics in general, represents a profound shake up of notions, if not taboos several thousands of years old. From this point of view they are second only by a little, and even then not always, to those who give preference to leftist or ecologist candidates. This fact is not to be separated from the rejuvenation and feminization of the communist electorate mentioned above. An analysis of the responses in function of age and sex would undoubtedly confirm this hypothesis. I will not enlarge any further upon this point. The use of responses to survey questions to analyze opinions and attitudes requires a great deal of caution.

As a matter of fact, it is necessary to ask whether the questions asked (which the "pollster" alone decides on) do indeed correspond to the priority concerns, explicit or not, of those being questioned, not to mention either the pertinence of the statements or the ever delicate interpretation of the responses obtained. Consequently, polls should be used together with other techniques which permit a better entry into the "specific world" of polls. Similarly, a comparison over time assumes an identical wording of the questions, the checking of samples, etcetera. In the current state of the work I am engaged in, I will keep from making any premature formulation in a matter where the almost fanatical scrupulousness of the examinations is only one of the manifestations of the scientific and political spirit of responsibility. In any case, there seems to be little doubt in my mind that, contrary to predictions which are regularly denied by the facts, the party and its electorate constitute a major element of those forces which, in France, are in the vanguard in social, political and, in the broadest sense of the word, cultural matters. The progress of the party, from the point of view of its supporters and of the development of its policy, is evident. A great deal of improvement still remains to be achieved in this field as well, of course, as a decisive thrust in terms of political and ideological mass influence. This influence is gained step by step, through

daily struggle and expression. The fact remains that the electoral clues provide a measure for it which one has to be able to interpret, to be sure, but which everything confirms it to remain very significant.

#### Research on Communist Electorate

[Commentary by Michel Dion]

[Text] For a long time now, studies of political sociology and polls have emphasized the class character of the communist vote, as communist voters tend to define political phenomena in terms of social conflicts and to clarify their electoral behavior on the basis of these conflicts. This would explain why, compared to the votes for the other parties, the communist vote has been the most stable since 1945, in spite of the noticeable declines in 1958 and 1968. This stability appears to be primarily a geographic one, and it has been possible to talk about communist "strongholds": Northern France, certain Paris suburbs, the Center, the South of France along the Mediterranean and the Rhone valley, from where the communist vote would expand or fall back depending on political developments. In its generality this theory, a formulation of which is found in Jean Ranger's "Le communisme en France," Paris, A. Colin, 1969, undoubtedly contains a part of the "truth," but it does not seem to be fully adequate to explain the developments in the communist electorate in France since 1945. As a matter of fact, it is based on an a-historical, timeless conception of the class character of the communist vote which would be as if "established" once and for all -- a class character, one might guess, that I would be the last to deny -- and attempts to describe the noted developments on the basis of this conception. I would like to suggest four lines of research along which can be found, in my opinion\*, a scientific explanation of the contradictory, contrasted development of the communist electorate in France since 1945:

1. The PCF, like any other political party, involves itself, not in isolation but within the existing relationship of global political forces, at a given moment, between the various political parties;

2. This relationship of forces does not appear out of "nowhere": it is, all at once, the "product" of a given historical situation, here and now, and the "product" of earlier historical situations which "survive," in the form of mental outlines, in the political consciousness of the citizens;

3. These "movements" which come, first, from the sphere of "politics," and second, from those of ideologies, of the mental images and conceptions of the world, are, to be sure, in constant interaction, but they develop at

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\* Some of the hypotheses presented here have been taken, in my fashion, from Jean Barthes, "Le parti communiste dans la société française," Paris, E.S., 1979.

their own rhythm, according to an internal logic and are, above all, rooted in the overall movement of the social life, which in turn is "dominated" by the movement of capital\*;

4. More, undoubtedly, than for any other party -- because it is the only one to claim that it "bases" its policy on a scientific conception of human societies and of their development -- an awareness of the relationships between the party and society (national, regional, local) is a key element in any study of the PCF: why, how does one become a communist voter; why, how does one cease to become one?

On the basis of these hypotheses, and as a possible first step in their empirical examination, I would like to propose the following research plan:

1. To have been a communist voter in France during the years 1945-1958 (Resistance; anticommunism; 4th Republic; "work of society" through the progressive development of the CME [expansion unknown];
2. To have been a communist voter in France during the years 1956-1972 (end of 4th Republic; 5th Republic and the "establishment" in the shadow of Gaullism, of the CMEE [expansion unknown];
3. To have been a communist voter in France during the years 1968-1978 (first fruits of the global crisis of society and union of the left);
4. To have been a communist voter since September 1977, the date of the breaking up of the union of the left and of the abandoning of the common program by the PS (a class struggle to get out of the crisis).

This "historical" division, the overlapping of which was deliberate, is aimed -- but the concrete study remains to be done -- at demonstrating that any electoral study, not only that of the communist vote, cannot be carried out in a linear manner, in the manner of F. Coguel\*\*, for example, who proposes to maintain as an explanatory hypothesis of the electoral penetration of socialism over a long period of time (1928-1968), a negative link between economic and demographic changes and the influence of the PCF, on the condition that a political tradition of the right does not compensate for its

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\* This wording could lead to confusion: there is not at one "end" the movement of minds and at the "other" that of capital. No, the movement of capital integrates that of the minds, shapes it, in /the same way/ [in italics] it is "integrated," "shaped" by it: "the production of ideas, of images and of consciousness /is first of all directly and intimately mixed/ [in italics] with the material activity and with the material intercourse of men; it is the language of real life" (K. Marx, F. Engels, *L'idéologie allemande*, p 50; the italics are mine, M.D.).

\*\* F. Coguel, *Modernisation économique et comportement politique*, Paris, A. Colin, 1969.

effects. According to this theory, the "declining" regions of the left would be more and more favorable to the communist vote, while the "progressing" regions, whether they are of the right or of the left, would be less and less so. As is the case with the previous theory, this may have been "true" at one time or another, here or there -- the communists pride themselves on fighting against any decline of the regions of France organized by the national and international monopolistic bourgeoisie --, but it does not really explain the strong bond -- which has nothing mechanical about it -- between the objective belonging to the working class and voting communist. That this bond is also a relative "truth" -- because it is a general one -- is certainly true, but this is all the more reason to study it in local, regional realities, a national reality on the move!... How many studies are there today on the manner in which people experience the global, lasting crisis of capitalism in France, and on the manner in which they relate this "experience" of the crisis to their political behavior, their conception of the world?

What do we know about the evolution experienced by Christians who, defying the taboos, have come to the point where today they vote communist. Why did these progressions and regressions of the communist vote occur in provincial France, whether in the "strongholds" or not, in March 1978 and since then at every election? Why has there been this slow decline of the PCF in Paris and in certain suburban municipalities over the last 10 years or so? And why, finally, also and above all, this national maintenance of the PCF at the 30.5 percent level, in spite of all the omens of its "decline," and the efforts, of all kinds, to try to achieve it?

As one can see, there is no lack of questions concerning the communist electorate. Each or such a study in progress will provide elements of response, such or such other study should be carried out, but all of this, study or no study, should first of all stimulate the thought of the communists, whether they are experts in political sociology or not!...

Marie-Laurence Dupoirier

#### Commentary by Elisabeth Dupoirier

(1981) The picture of the communist electorate, as presented by David Depierre on the eve of the European elections, is reassuring and satisfying. Reading this commentary on polls, one has the feeling that neither the breaking of the alliance with the PS nor the electoral defeat of the left in 1978 has changed the large socio-economic balances which characterize the party's electorate, any more than they have weakened the confidence of the voters in the policy of their leaders. The level of votes obtained on 10 June by the list of G. Marchais confirms this feeling as the party retained its national audience of March 1978. However, if we go beyond this simple statement, a "hasty" analysis of the results of 10 June produces as many reasons for concern as for satisfaction.



First of all, satisfaction: nationally speaking, the audience of the PCF does not suffer at all from the break up of the union of the left; geographically speaking, this audience has even increased in several regions of the South-West, where agriculture and viticulture are particularly liable, from an economic point of view, to Spanish competition within Europe\*, and regions of the West, which are geographically offset\*\* with regard to the European currents of production and trade; politically speaking, this audience -- when it is maintained or increased in relation to last year -- is often thus, thanks to undeniable transfers of socialist votes from 1978 onto the list of the PCF, transfers which cannot fail to remind one of those which J. Duclos was the beneficiary of in 1969.

Having said this, the elements of doubt are also far from being absent. The areas in which the communist electorate is shrinking are neither quantitatively nor qualitatively negligible. In urban circles (in the cities with more than 30,000 inhabitants), the PCF list did not reach the level of communist votes of 1978. More specifically, the party electorate continues to crumble away in Paris, in a large part of the "red suburb" and in the departments of the large ring (Essonne) where the socialist influence within the left remains effective. Secondly, the map of PCF votes does not fit that of the industrial departments most affected by the crisis very well: decline in the Lorraine steel basin, decline in the Pas-de-Calais, decline in the Loire, primarily in Saint-Etienne, where the municipality led by the PCF has had to take over the problem of Manufrance since 1977. Finally, a last reason for doubt which is not the least worrisome for the future: if there are areas where the PCF has progressed, this progress has been due primarily, as we have noted, to transfers of socialist votes so that the global level of the left has not been increased with regard to last year. One may rejoice at the re-balancing of the left to the benefit of the party (without underestimating the difficulties in the future of "freezing" the share of protest votes from the South of France at the time of the next election); one may also regret that it occurs in a politically immobilized situation in which the left is hardly in a position to threaten seriously the majority in power.

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\* Languedoc-Roussillon, Midi-Pyrénées, Aquitaine.

\*\* Bretagne and Lower Normandy.



## COMMUNISTS, LEFT DISAGREE OVER VIETNAM

Paris LE MONDE in French 30 Jun 79 p 5

[Text] The parties of the left and the trade unions, meeting at PS headquarters in a 7-hour session on 28 June, could not reach agreement on the problem of Vietnamese refugees. The communist delegation indicated on Friday morning that in spite of its "repeated proofs of good will" it ran into a "veritable wall of refusal by the socialist party." The PS, the MRG, the PSU, the League for the Rights of Man, the CFTD and the FEN indicated on their part that they have decided to "continue the discussion so as to arrive at a joint text." That text is to be made public on Friday.

Representatives of the PS, the PCF, the MRP, the PSU, the CGT, the CFTD, the FEN and the League for the Rights of Man participated on Thursday, 28 June in a meeting at socialist party headquarters, which had the purpose of examining the possibilities of joint actions on the problems of Vietnamese refugees. M. Pierre Juquin, member of the Political Bureau, presented his questioners with a statement reiterating the position of the Communist Party on that question.

The PCF thinks that the "scandalous campaign" being developed in France is "a political operation directed against Vietnam and attempts are being made to orient it in an anticommunist direction." The establishment is thus trying "to make people forget its projected racist laws with regard to immigration." The CPS's note underlined that "responsibility for the drama now going on in Vietnam" devolved on French colonialism and U.S. aggression which took over in turn after Dien Bien Phu." The Communist Party indicates that "an international solution" of the refugee problem "should be investigated by the staff of the UN, starting with the agreement concluded between the Vietnamese Government and the UN Office of High Commissioner of Refugees." Such a solution would assume collaboration with the countries receiving (the refugees).

The PCF asks for a debate of the problems of Vietnamese refugees in the National Assembly before the end of the session of Parliament. It emphasizes that "all the available information indicates that the immigrant

workers are concentrated particularly in the municipalities under communist government while the others, particularly those with right wing governments, receive none or only a few of these workers." It adds that under such conditions it is impossible for these municipalities to receive a "surplus of immigrants."

On the other hand, the PCF asks for the establishment of a "commission of inquiry into the backgrounds of Vietnamese welcomed into France, to avoid having the right of asylum--an untouchable principle--serve as cover for former torturers, war criminals and fascists who supported the Thieu regime." Finally it asks that the French Government intervene in the United Nations and directly with the U.S. Government, that the latter should "pay its war debts to Vietnam and accept the largest share of refugees from the Indochinese peninsula on its territory."

During a press conference M. Fiterman, a member of the PCF secretariat, criticized the majority and the PS which, according to him, manifest purely verbal compassion towards the Vietnamese refugees. He also criticized the speed with which Vietnamese can acquire French nationality, in virtue of an agreement from August 1955, and the electoral and social use made of the recent immigrants according to him.

M. Fiterman indicated that the PCF's concern is to "contribute to the humanitarian aid" that may be rendered to the Vietnamese refugees and to "an international solution in which France should take part." As for material aid, M. Fiterman emphasized that the Communist Party "poses no prerequisites" to agreements that may be concluded with the other parties of the left and the trade unions.

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## NEED FOR DEFENSE DIALOG WITH THIRD WORLD EXPLAINED

Paris DEFENSE NATIONALE in French May 79 pp 3-10

[Article by Gen Jean Arrouays: "Defense and North-South Dialog"]

[Text] "Europe is destined for the secondary role imposed on it by its dimensions."

Paul Valery

Intensification of the North-South dialog is an important component of French policy. Air Force LtGen Jean Arrouays, government adviser for defense, who has been assigned the mission of vitalizing certain action by the Armed Forces in this regard, presents, in a general survey, the reasons for which, according to him, France and certain Third World countries, especially African and Arab, have a mutual interest in developing their cooperation with regard to defense. In it he presents particularly his conception of the role that our Armed Forces can play in training personnel, in collaboration with our armament industry.

Over 30 years have passed since two superpowers laid the groundwork of their rule of the game for dividing up the world. This division still weighs heavily on the fate of a number of nations destined to submit more or less to the law of a protector.

Nevertheless, some new circumstances have appeared that tend to modify the world balance progressively. It is a question, first of all, of the rise of certain "continent-states," like China, India and Brazil, future powers of the 21st Century. It is also a question of the economic breakthrough by the losers of the last war, Japan and Germany, which have found, in a remarkable industrial and trade upsurge, an outlet for their people's dynamism and a compensation for the alienation of part of their political or strategic freedom.

Africa, regarded at that time as controlled by the colonial powers, was left out of the Yalta division. Today, it has become a stake in the constant struggle being waged by the superpowers, on the same basis, moreover, as a number of developing countries.

This destabilization, brought to full light as early as 1975 by the Soviet-Cuban armed intervention in Angola, risks leading some of those young countries toward a new form of satellization. In fact, they do not have the means for resisting that kind of undertaking by themselves.

For them, maintenance of a certain amount of freedom of action depends necessarily on cooperation with a country capable of providing them with the technical assistance indispensable for their development without risking, for all that, setting itself up as a new master.

Among the countries that are able to meet these criteria, owing to their size and their degree of technology, France holds a privileged position.

In fact, with it, the risk of satellization by an intermediary has not existed ever since it knew how, owing to the clearheadedness and tenacity of General de Gaulle, to affirm an original, independent foreign policy, at the same time as it provided itself with suitable means of defense. Its capabilities in the industrial and military fields give it the possibility of assisting developing countries to establish strong armed forces indispensable to them without running the risk of imposing on them an influence in the form of protection.

Our country, which does not claim to set itself up as a model or to propose some kind of ideological catechism, can also cause a certain number of basic values of our society to be appreciated, aside from its language and its culture, which, for a long time now, have no longer been its exclusive property. Thus, it can, undoubtedly, comfort certain new countries, to a certain extent, in their search for dignity as a free nation.

If France can give, it also has much to expect.

First of all, it is a question of a broader and more thorough knowledge of men, of an expansion of our culture, thanks to the contribution of other forms of civilization that our Western superiority complex might lead us at times to ignore.

From a strategic point of view, it must also be noted that Africa, especially, has an exceptional interest for us. To maintain with Lenin that "the road to Paris passes through Africa" is, perhaps, too simplistic an abridgment, but no one can contemplate calmly the possibility of seeing a hostile power set itself up on the southern shores of the Mediterranean or on the key points of the periphery of Africa that control for us the oil route.

Finally, it should be noted that the assurance of a steady supply of energy and mineral resources is an essential facet of our freedom of action. Short of submitting to the law of the superpowers, only developing countries are capable of helping us in this area, because our European partners are as destitute as we are.

Therefore, there is, in particular, objective complementarity between our possibilities and those of the Arab and African worlds, a very favorable condition for promoting cooperation, profitable for the recipients, on the basis of strict equality. Everyone knows, moreover, that the best households are not made up of similar husband and wife but rather have complementary qualities, knowing how to respect their mutual personality and to understand each other.

We are, undoubtedly, one of the peoples best prepared to understand and appreciate the Arab world, so surprising to a little too logical Western mind. We understand it, because, for centuries and depending on the hazards of history, we have submitted to its law or have imposed our law on it. We understand it as the dwellers on the shores of that large lake, the Mediterranean, common cradle of our civilization and link between the peoples bordering on it, understand each other naturally.

There is no need also to dwell on the historical, economic, linguistic but equally affective bonds that have been uniting us for a long time now with black Africa.

We think that, 20 years after the end of decolonization, once some illusions have been dissipated on both sides and certain ideologies have been debunked, there is room for a firm constructive realism in the direction of an intensification of our cooperation.

This cooperation may go beyond mere exchange, already very beneficial, of energy and raw materials for know-how and brain power. It can, in fact, contribute to the organization of a vast zone of stability, prosperity, mutual understanding and peace, endowed with a relative autonomy of decision and action with regard to the two large rival blocs in our world.

These are, in outline form, the elements of a North-South dialog in which the French Armed Forces can and must play a basic part.

They must be capable -- and, moreover, they have already demonstrated it -- of flying rapidly to assist a friendly country in difficulty, to honor our commitments, to cause the rights and security of men to be respected. Nevertheless, their role must not be restricted to this kind of intervention, at times, unfortunately, indispensable but always criticized. They may, in fact, involve considerable military and political risks, even going so far, in certain cases, as to offer the appearance of interference in the internal affairs of a country, giving a pretext for other foreign military actions with less pure objectives.



Whenever possible, it is far preferable for each country to be capable of handling its security itself. By providing their assistance in setting up national armed forces, the French Armed Forces can make their contribution the most valuable and most profitable one to the stability of the Third World and more especially of Africa.

The most important aspect of our technical military assistance is, undoubtedly, personnel training, because men last longer and evolve less quickly than equipment and techniques. That is why, from the point of view of our general policy of defense (in the broadest sense of the term), it is most highly desirable to make available to our partners part of the training facilities that we have and for which they have an important, urgent need.

Naturally within the limitation of our possibilities, we should open up widely our instruction capabilities to young foreign trainees. We must also know how to make the necessary effort of imagination and creativity to adapt our tool and our teaching methods to their special needs.

At this price, young men will learn, in our military schools, what they need technically to practice the profession of arms. There, they will also learn to appreciate France, insofar as our reception structures come up to their expectation; that is to say, a style of living and thinking, a certain idea of the dignity and rights of man, of tolerance and of freedom. More than elsewhere, without a doubt, they will be in a position to acquire a certain number of virtues called sense of duty and discipline, physical courage, liking for unselfish effort, notion of a public spirit and service of the country. There will be there so many valuable assets for those who are called upon to be not only the future officers of their national army but also, very often, the senior administrative and political officials of their country.

In fact, it is easy to verify that, in most developing countries, the army (the guarantee of the state's stability and, at times, even the only united and truly organized force) or personnel coming from the armed forces (because of their acquired qualifications) are the ones who hold the essential part of government authority.

The intellectual and psychological investment made in behalf of the military personnel, involving mastery of our language, knowledge of our ways of thinking, of our equipment, of our basic moral values, is, therefore, one of the major factors for future cooperation, on a footing of equality, based on a thorough, mutual understanding, advantageous to both parties.

It goes without saying, that the effort made to receive foreign trainees in our military schools would be completely insufficient, in view of their needs, if it were not supplemented by assistance in personnel training, directly in our units or, still better on the spot, in each country involved, the second important feature of our technical assistance.

It is up to us to encourage as much as possible the initiatives of those young nations that are tending to provide themselves, on their own, with the means required for training their military personnel, by advising them and assisting them on this course. This is the purpose of our military assistance in situ, which must seek primarily to assert its improvement nature by ruling out mere replacement tasks.

Going from the simple to the complex, the point should be reached progressively at which each country will be itself capable of training, with our aid, a large part of its personnel, with the exception probably of specialists in highly technical subjects requiring the availability of too large or too elaborate facilities. Thus, our assistance must not be frozen but, rather, constantly adjusted according to the results achieved. This forms the difficulty, but also, very precisely, the advantage of our mission.

Overall implementation of this policy obviously requires means to be granted to our Armed Forces in addition to what is strictly necessary for our security. But it must be borne in mind that these means are, on the whole, relatively modest in view of the size of the stake and that, if we do not show that we are capable of releasing them, others will do so in our place and certainly not in our interest.

Because an army cannot exist without equipment, it is indispensable for our partners to be able to obtain for themselves quality armament, suitable for their needs, without, however, compromising their independence or the equilibrium of their economy.

There too, owing to the quality of its armament industry (aviation in particular), to the independent nature of its foreign policy and to its moderate size, which prevents it from having any inclination toward hegemony, France appears to developing countries to be a choice partner.

Aside from their obvious economic benefit, armament exports contribute to the amortization of the costly investments for research and development that alone can enable us to preserve our freedom of action and, at the same time, stay in the forefront of technology.

In this field, each one must know how to proportion his ambitions and his possibilities, because the use of sophisticated equipment may bring with it serious difficulties, when the technical structures for receiving it are not perfectly adjusted to it. Because this notion is not always perceived precisely by partners who are sometimes inexperienced, it is important to assist them to become aware of it rather soon, by including systematically in armament contracts the indispensable components with regard to personnel training and technical assistance.

Application of this kind of policy requires a dialog in which the French Armed Forces -- which generally profit from previous experience in utilization of equipment and whose assistance has every chance of being requested -- must be associated closely and as soon as possible.

Likewise, it is necessary to proceed in such a way that the dynamism of our industrialists will not give our partners, especially the more underprivileged ones, the impression that our motivations are probably purely mercantile in nature.

By means of the overall quality of the service rendered (especially before and after granting equipment), we must add a supplementary dimension to the technical, intellectual and cultural contribution made by our schools, a capital of mutual trust from which we shall gather dividends for a number of years. In fact, in view of the difference in scientific, industrial and social level distinguishing us from our partners, our complementarity has every chance of perpetuating itself. It will last all the longer, if France knows how to make an effort to adjust its industrial and research apparatus toward top-scale products in the leading sectors that it is capable of mastering (data processing, electronics, cybernetics, aerospace, nuclear).

The intensification of the bonds that we are advocating certainly does not aim at organizing an autarchically slanted group, because it would be puerile to ignore the complexity of the economic, financial, political and military relations governing our world. Our offer of cooperation must, moreover, remain open to everyone.

It is merely a question of providing peoples, brought together by sentiments, reason and geopolitical circumstances, with an opportunity to have access together to a freedom of decision and action incomparably greater than the freedom that would be allowed them separately.

Thus, we shall, perhaps, gain a little in serenity and stability in our industrial supplies and our trade outlets. Thus, also, we shall be able to give young friendly countries a real chance to cross over from the state of all kinds of safari grounds to the state of nations masters of their destiny.

For the same reason, we shall remain faithful to the image that France has been trying, for the last 2 centuries, to give to the world, an image made up of generosity, fraternity, independence and freedom.

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## FRANCE'S MILITARY INTERVENTION CAPACITY DISCUSSED

Paris DEFENSE NATIONALE in French May 79 pp 11-16

[Article by Gen Michel de Peyrat: "Our Military Capability for Foreign Action"]

[Text] The author, head of the Employment Department on the Armed Forces Staff, responsible, in this capacity, for setting up foreign action operations, describes their various forms and draws lessons from the ones carried out recently.

Ever since the Republic of Djibouti achieved independence, in 1977, France has no longer been exercising its sovereignty over any African country.

It must be noted, however, that subsequently to that year, 1977, our country found itself engaged in a number of foreign actions during which the French Armed Forces had to demonstrate their capability in ways that were different each time, in Chad, Mauritania, Zaire and Lebanon.

What are the reasons for which the French forces have to maintain and constantly improve their capability for foreign action? What forms can these actions take? Do we actually have adequate capabilities? These are the questions that this article proposes to answer, without, nevertheless, claiming to be exhaustive.

France's security and interests can be jeopardized not only in Europe, but also in those regions of the world in which an indirect strategy threatening especially our sources of supply of raw materials and energy is developing. These threats are just as dangerous to our country as aggression against the borders.

It is not by chance that there is a series of crises in Africa and in the Middle East. The natural resources of those regions are vitally important to the industrialized nations. For the same reason as equilibrium in Europe, stability in Africa and the Middle East is, therefore, indispensable to our country's security.

Moreover, on the one hand, the historical, economic and cultural ties that France has made in those regions entail responsibilities for it that go beyond its interests alone. On the other hand, the large number of its nationals in those countries compel it to be in a position to intervene wherever necessary to guarantee their safety.

That is why France must be capable of participating in maintaining military stability in that area, both in a bilateral framework, at the request of friendly countries, and in an international framework. In this connection, the mission of the Armed Forces was specified by the law of 19 June 1976, pertaining to approval of military programing:

"Be in a position, outside Europe, to contribute to the security of those countries to which France is tied by agreements or by an actual economic or cultural solidarity.

"Be capable of foreign actions in various forms, whether it is a question of participating in missions of presence at the request of international organizations or at the request of the countries involved, or whether it is necessary to provide military and technical assistance to threatened countries."

A reading of the text of the law shows that these foreign actions may take on extremely different forms. Leaving the very specific missions of the Navy on the high seas aside, several kinds of action can be singled out:

Some of them depend on immediate, and therefore urgent, support of friendly countries requesting it of us. They involve sending teams of advisers or supplying equipment and performing services. Specific in nature and limited in duration, these actions are performed as a supplement to our permanent technical military assistance, when this exists. Their objective is to enable the beneficiary countries to resume their responsibilities and not to act as replacement assistance.

The personnel teams may consist of experts responsible for proposing improvements in organization, of command advisers placed alongside the local authorities to assist them in conducting operations, as instructors or as technicians.

Performance of services finds expression in sending teams of personnel provided with their organic equipment and responsible for using it to the advantage of the friendly army, without transferring equipment to that army. The mission is performed under the French uniform and under the operational control of a French authority.

Others depend on direct action. Most often, they go along with situations of clear-cut crisis, involving their being launched within a short time. They are military actions retaining a limited nature because of the amount of means used and the duration of the operation strictly speaking. They



are conducted by forces set up on request and may have as their objective the safety or evacuation of threatened French nationals, protection of national interests, restoration of the security of a friendly country, maintenance of peace in the framework of an international force.

Together with the extreme diversity of conceivable forms of action, there must be a very flexible military system in a position to provide, within a time usually of less than 24 hours, very suitable means for solving the problem and to transport them to the scene of action, often at considerable distances (on the order of 5,000 to 10,000 kilometers). These means may range from a small team of advisers to a joint Armed Forces detachment, consisting of large-scale command and liaison units, air reconnaissance, intelligence and air-ground fire support units, finally, Army combat units (regiment-size with its supply and support units). The flow of logistic support of this whole setup and possibly relief of personnel are, then, to be handled by air or sea. Recent foreign actions illustrate very well the diversity of situations, of forms of operations and of means committed. A primarily air detachment, on the basis of Jaguar and Atlantic aircraft, for Mauritania; motorized and helicopter-equipped joint Armed Forces groups supported by Jaguar and Atlantic aircraft, for Chad; airborne operation of a paratrooper regiment, in Zaïre; infantry regiment reinforced with armored units and a logistics unit, in Lebanon (with deployment by operational sea transport means).

These different engagements demonstrated the ability of the French forces to carry out successfully the great variety of foreign action missions required of them. It was not always easy. The executors had to demonstrate much initiative, skill and courage to overcome difficulties, to adjust to changing conditions, to accept certain calculated risks. It was possible to solve every problem, thanks to the flexibility of our organization, the good preparation and the quality of our forces.

Nevertheless, our capabilities for foreign action must constantly be improved. The recent operations made it possible, in this connection, to draw a number of valuable lessons that are in process of being analyzed. It would be out of place to present them all. Let us decide on four of them:

First of all, it is necessary to be in a position to dispatch, within especially short times, the means suitable for the kind of mission to be performed: a few days to set up and transport the French contingent to Lebanon, a few hours to mount the Kolwezi operation. Adherence to that kind of time frame assumes that the systems for alerting the units and the procedures for setting up and assembling the means ensure the greatest reaction speed. This was made possible by means of a system of "cells," whose composition was clearly specified in advance and whose rate of availability is set in advance. These cells are designated case by case, depending on the requirement, to participate in a given action. Thus, in Mauritania for example, the group of Jaguar cells, KC-135 tankers, intelligence collecting Atlantic aircraft, flying command post, quickly assembled and

sent to the scene, was immediately operational. In Chad, depending on the development of the situation, a joint Armed Forces group was established progressively by adding cells consisting of armored, motorized, artillery, engineers, helicopter, support and observation aircraft units.

This system is in process of improvement by means of adding various cells (teams of advisers, photo interpretation, intelligence, logistics, and so on) and by a better adaptation of material and equipment to the specific conditions of foreign actions.

In the second place, it is necessary to be capable of transporting these means within the shortest possible time and over long distances. We were able to make these moves under satisfactory conditions especially to Lebanon and Kolwezi with our military aircraft supplemented by civilian aircraft chartered by means of agreements tying us to various airline companies. The fact remains that we run up against certain limitations in the field of long-range heavy transportation. These limitations are tied first of all to the air potential, which lays a time restriction on an intensive utilization of military aircraft. Then, limitations stemming from the possibilities of lift, range or speed of the aircraft and ships now in commission in our forces. Improvement of our capability in this field is under study at present or in process of achievement.

In the third place, we must be capable of setting up and positioning command and liaison facilities needed for this kind of action at a great distance. The political-military nature of foreign actions, their urgency, the secrecy and discretion requirements, involve, in fact, a centralization of the conduct of the operations at the level of the chief of staff of the Armed Forces, in close liaison with the government and a certain amount of decentralization of execution at the level of the command of the forces on the spot. Therefore, it is necessary to have direct liaison with the metropolis for transmitting orders and intelligence. This liaison must be discreet, fast and reliable. Thus, in Zaire for example, we transported heavy equipment by air to Kinshasa capable of ensuring the sizable flow of communications entailed by that kind of operation, while we dropped lighter equipment for direct operational liaison at Kolwezi with the paratroopers. The improvements in progress pertain to the formation of "cells" formed on the basis of materiel capable of being transported by large-capacity aircraft and able to depart rapidly with adequate personnel. The possibilities of achieving liaison by satellite are also being studied.

Finally, every time, it is necessary to be in a position to support the forces engaged, under good conditions. This support takes on two aspects: positioning, with the forces, logistic cells with various characteristics: medical, materiel, fuel, postal, and so on, and organization of the flow of various supplies by sea or air, using military or chartered civilian facilities. This is what we are still doing at present in Chad and Lebanon.

Improvements are also in progress in this field, in order to make a better adjustment of the composition of the logistic cells, to bring up to proper level quantitatively and qualitatively supplies in the metropolis and in certain friendly countries, to specify airtransportable or "containerized" support echelons capable of giving still greater autonomy to the combat units.

Thus, aware of the importance of the development of our foreign action capability in the policy of the country's defense, the Armed Forces have developed a system that has been tested and whose improvement continues incessantly.

Our effectiveness certainly depends on this organization and anticipation effort, but it rests also and primarily on the quality of the troops called upon to participate in this kind of action.

Here, the major importance of the individual training of the soldiers, of the training and coherence of the units that must be kept at the highest level, is touched upon.

In this connection, the results achieved in recent operations bear witness to the moral valor, the courage and the discipline of our men, who, for the most part, received their baptism of fire and, on that occasion, showed that they were worthy of the finest military traditions of the French Army.

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## PROBLEM OF 'AWAKENING' RESEARCHERS REVIEWED

Paris LE NOUVEL ECONOMISTE in French 30 Jul 79 pp 40-44

[Article by Jean-Robert Leselbaum]

[Text] Researchers and industrialists still make up two separate worlds between which distrust prevails over collaboration. Thus, despite financial effort made by the authorities, French innovation continues to lag behind that of foreign countries. An nth reform is being studied.

Machine tools are German, photographic equipment comes from Hong Kong and magnoscopes from Japan. Can it be that everything which is new in France is foreign?

Nevertheless, never in their history have the French had such a tool available. There are 67,000 high-level researchers and engineers, the equivalent of the combined personnel of AEROSPATIALE [National Industrial Aerospace Company] and Dassault. Altogether there are 260,000 people, more than all the employees of the state-owned Renault organization spread over a total of 3,000 centers. And 40 billion francs were swallowed up in 1978 by public and private research. This was nearly 7 billion more than in 1977. What, then, are researchers doing?

This is precisely what the government is concerned with these days. The next Council of Ministers is expected to come up with a 10-year plan for research.

A 10-year and laborious plan. For, from report to report and from reorganization to program, research reform never ceases to bog down.

To be sure, airbus sales are expanding, the General Electric SNECMA [National Corporation for Aircraft Engine Design and Construction] CPM 56 motor has customers and the Ariane rocket has been successfully launched. Likewise, our breeder reactors are in good shape, and we have conquered the nuclear fuel cycle, underwater oil-exploration techniques, the production of aluminum from clay and the export of radar equipment or armaments. But the gray matter balance is unfortunately negative; French businessmen buy more patents and licences than they sell: 294 million for chemistry, 137 for the

food industry and 52 for the metalworking industry. All industries combined, the deficit came to 288 million in 1977. And yet, that was one of the best postwar years. While the Germans and Japanese chalk up 60 patents per 10,000 inhabitants and the Swiss 90, the French arrive at only 35.

### Selective Mobilization

In the general staffs they speak of abundance: industrial mobilization for science, technological redeployment, competitiveness for innovation and the like. But mobilization remains selective. Who is to blame? The industrialists who could not defend themselves, or the authorities who could not help them?

Two examples. First, scientific instrumentation. This industry was almost nonexistent in 1964 when the DGRST [General Delegation for Scientific and Technical Research] undertook to promote it. In 1972, French industry provided 25 percent of the needs of the domestic market. In 1977, the figure rose to 43 percent. General Radiology Company's scanner and Professor Castaing's electrical medical probe give evidence of the cross fertilization of basic researchers and engineering technicians. SEREG [General Engineering and Research Company], established around medium-sized businesses absorbed by Compteurs Schlumberger, ranks behind the American company, Tektronic, but before the German companies, Rhode Schwartz and Siemens. And suddenly, the sector threatens to come to grief: the production apparatus has not been able to "keep pace" with the results of the researchers.

### Legacy of the Past

Another area in which France let itself be surpassed is that of liquid crystals which it was the first to discover. But watchmakers remained indifferent and ignored the quartz watch for a long time.

The failure does not stem from a lack of information between basic research and industrial research, for many research workers from the solid physics laboratory had gone into industry. What can be said, also, about electronic components where everyone visualized an essential industry and where, in the end, most of the components manufactured in France are produced with American knowhow.

Why is research fruitful in aeronautics and the atomic field and mediocre in the food-agricultural field, moderately successful in the biomedical sector but very disappointing in fine chemistry?

It is the legacy of the past. Electronics and data processing represent 30 percent of the national expenditure for research, aeronautics 19, chemistry and pharmaceuticals 15. On the other hand, despite their substantial contribution to national production, the mechanical industry, textiles, the food agricultural industry and the building trade do not have any true research



teams. A HEC [School for Advanced Business Studies] professor describes this imbalance as one resulting from habit: "There are," he says, "a good hundred enterprises and public laboratories which, once they have undertaken specific research projects, pursue those projects, even when they are producing no results. It is difficult to compel a research team to undertake a new field of investigation, particularly if the new field is not one of the 'noble' research sectors."

This excess of specialization culminates, when it comes to the point of defending mutual frontiers. Universities are afraid of becoming subservient to industry. And the industrialists are afraid of being bogged down in red tape. Given this situation, the DCRST has often failed to live up to its policy of concerted action. While officially observed, collaboration between public research teams and those of the industrial sector has remained quite lax when precise subjects were involved. "That does not prevent us from having frequent contacts with public laboratories," Claude Dugas, scientific director of the Thomson group, explains. On the personal level, all scientific directors of firms know the heads of the CNRS [National Center for Scientific Research] laboratories and of other large organizations."

However, what is true for the physicians, mathematicians and biologists of a given level, trained in the same schools, does not hold true in the lower-echelon sectors. A brief report by Claude Mandil, chief engineer of the department of industry and mines in Nantes, bears witness to this lack of understanding. In Caen, for example, the head of a metalworking firm complains bitterly: "Only once did I contact the university. I had to wait several days before knowing to whom I should present my problem. When I finally reached that point, the professor, head of a laboratory associated with the CNRS, obviously disinterested due to what in his opinion was the commonplace nature of the problem, asked me to be patient. He had about 10 theses to examine, a seminar to head up and a series of lectures to give in the United States. Not before 8 or 9 months, he advised me. And that only if the assistants agree, he threw in for a good measure, seeing me to the door."

### Frictions

It is the longstanding defiance scientists have toward private endeavor. On union posters laboratory bosses are accused "of selling their team to industry." The same universities which were simultaneously directors of research within the CNRS and advisers to large firms have had to give up establishing a contractual connection between their public laboratories and the crews of industrial centers. Thus, the agreement reached between Rhone-Poulenc and the CNRS caused disturbance in the research domain. What was the crime? To avoid alerting its competitors, Rhone-Poulenc asked public laboratory research workers not to be in a hurry to publish the results of their projects.

In the public sector as in the private, each one does as he pleases: "Large crews, very little organization and with purely academic motivation," in the

words of a recent report by the advisory committee for French scientific research with regard to the chemical field. "Meanwhile, industry devotes its best efforts to innovation but without completely relying on basic knowledge."

This dichotomy is still more perverse in the mechanical and converting industries. Encouraged by the separation of the training systems (engineering schools on the one hand, universities on the other), it leads to the development of the two parts of a given problem in an autonomous fashion. Although there were a few successes, such as Michelin, Leroy Somer, Creusot Loire or Moulinex which have never neglected research, we have had many mishaps in leather, paper, textiles or the printing field. "These sectors," the report says, "devote less than 1 percent of their turnover to research and often do so through technical centers which, most of the time, are unadapted to the problems of the professions, rather set in their ways and not very productive scientifically."

This statement is severe, slow in coming but, for the first time, official. Will it be productive? Reconciling the public and private sectors, science and practical application is obviously a long-range task involving problems of manpower, resources and decision.

#### Immobility

Can it be that research's principal enemy is the research worker? The image of an enormous CNRS, walled up in science and quite snug in its statutes, does not bode well for industrial competitiveness. There are 8,300 research workers, 13,000 engineers and technicians and more than 200 administrators. The budget is 3.3 billion francs. Even if the CNRS, the heart of French basic research, receives only a third of the research budget, the minister of universities, who is responsible for that budget, has difficulty in controlling the studies pursued in the 400 laboratories or the 200 research teams whose work does not always fall within the ministerial policy. Many research workers prefer projects which raise their standing in the scientific community and assure them more rapid promotion. Reorientation of the activity of research teams has been on the agenda for 7 years, but the research workers are dragging their feet. "Regardless of the results of their work laboratories are guaranteed 90 percent of the credits of the previous year," a former CNRS scientific director advises. "They prefer to share limited funds rather than pursue a policy which would assure them a reserve supply of supplementary credits and a better knowledge of the needs of the economy."

Officially, the CNRS is endowed with all its qualities. "An indispensable humus, without which a better oriented, more industrialized research activity would not be conceivable," according to Claude Pierre, delegate to the section of innovation and technology in the Ministry of Industry.

"The CNRS gives us access to basic world results," says Olivier Lecerf in turn, president and general manager of the Lafarge group and chairman of the innovation-research committee of the CNIF [National Council of French Employers]. Nevertheless, when they do not turn their back, both public and private research workers doze.

## What Good Is the CNRS?

List of the principal laboratories belonging to the CNRS or associated with it consuming more than 2 million CNRS credits, in millions of francs (not including personnel).

### Life Sciences

Immunology center (Marseille)	3.05
Molecular genetic center (Gif-sur-Yvette)	2.53
Phytotron laboratory (Gif-sur-Yvette)	2.42

### Land, Ocean, Atmosphere, Space

Space astronomy laboratory (Marseille)	3.26
Haute-Provence Observatory (Forcalquier)	3.16
Research center in environmental physics (Orleans)	2.72

### Chemistry

Chemical institute for natural substances (Gif-sur-Yvette)	3.45
Catalysis institute (Lyon)	2.52
Research center for the study of molecules (Strasbourg)	2.30

### Social Sciences

French language institute (Nancy)	3.29
Center for archeological research (Valbonne)	2.88
Institute for the research and history of texts (Paris)	2.18

### National Institute for Nuclear and Particulate Physics (IN2 P3)

Linear accelerator laboratories (Orsay)	28.10
Institute of nuclear sciences (Grenoble)	7.10
Laboratory of particulate physics (Annecy)	5.00
Center for nuclear and mass spectrometry (Orsay)	4.10
Laboratory of nuclear physics. Military Academy (Palaiseau)	2.70

### Physics-based Mathematical Sciences

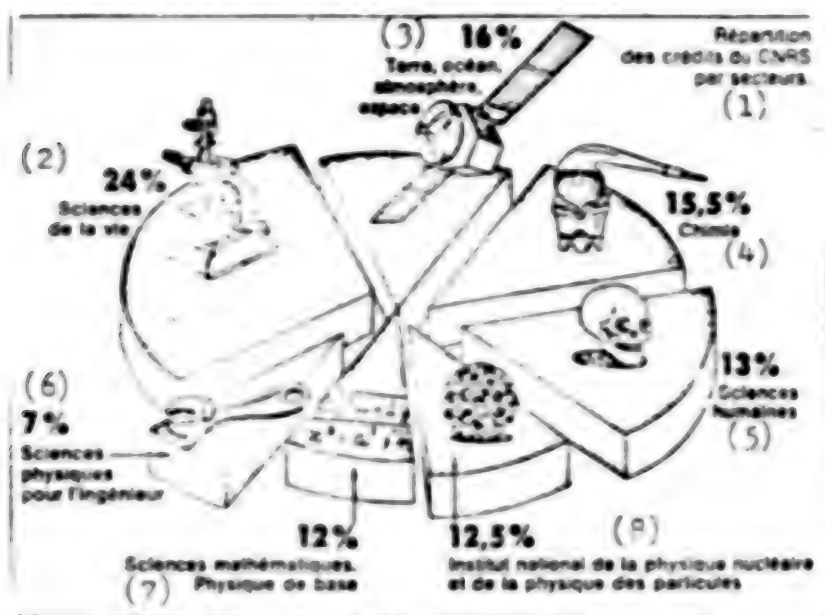
Electronic-optical laboratory (Toulouse)	3.43
Laboratory for the use of electromagnetic radiation (Orsay)	3.26
Aime Cotton laboratory (Orsay)	2.76
Solid-physics laboratory (Orsay)	2.29
Molecular photophysics laboratory (Orsay)	2.09

### Physics for the Engineer

Laboratory for systems automation and analysis (Toulouse)	4.53
Data processing laboratory for the mechanical industry and engineering sciences (Orsay)	2.47

There are 1,400 laboratories, 8,300 research workers and a budget of 3.3 billion francs. The life sciences consume the most money, about one quarter,

coming a head of ocean and space (16.6 percent), chemistry (15.8 percent), social sciences (13.5 percent), physics (12.9 percent) and mathematics (12.7 percent). With 7.8 percent, the department of physics for the engineer comes well in last place.



**Key:**

1. Division of CNRS credits by sectors
2. Life sciences
3. Land, ocean, atmosphere, space
4. Chemistry
5. Social sciences
6. Physics for the engineer
7. Physics-based mathematical sciences
8. National Institute for nuclear and particulate physics

If it were applied, the report submitted by Michel Massenet, government adviser, might perhaps awaken the research workers. They have made themselves civil servants for life: 6.6 percent left the CNRS in 1967; only 2.2 percent in 1977. The current practice is one of moving about: going from one laboratory to another, passing from a marginal study project to one recognized as having priority, exchanges between the public and private sectors. In short, it would seem to be a question of carrying out in each scientific sector what was developed within the CNRS with "physics for the engineer." A decree of 2 March 1972 authorizes the displacement of personnel, for a maximum of 4 years, in public and private firms. Only Jean Lagasse, head of the department of physics for the engineer in the CNRS, has temporarily "talked nonsense" with Renault's scientific directorate. On the whole, candidates are not in a hurry. The only awakening caused by the reform project was one of dispute.

In the private sector there is likewise no excessive zeal. But here, it is less a question of people than of money.

Each year six large French companies "carry off" 50 percent of the public assistance to industry, particularly through research contracts. To a great extent, this serves each year to preclude any renewal of contracts or change in those receiving aid. As for the others, who are not in the habit of traipsing up and down the corridors of the various ministries, the diversity and complexity of the aid systems discourages them. Another report, signed by Philippe de Castelbajac, adviser to the auditor's office, pleads for the strengthening of fiscal aid rather than an increase in public credits. It is in this spirit that Andre Giraud, minister of industry, decided upon the establishment of an automatic bonus for innovation which would amount to 25 percent of the sums spent by the PMI [Small and Medium-size Industries] to foreign research organizations.

#### Credits Dispersed

The total package of the Secretariat of State for Research is 13.1 billion francs. This represents only 50.6 percent of the budgetary sums allocated to research and development. In fact, certain ministries benefit from supplementary budget financing. These supplementary credits are allocated as follows: the army, 7.5 billion; the university, 2 billion; aeronautics, 709 million; and telecommunications, 1.1 billion. Jean Martre, general delegate for armaments (DGA), is France's foremost researcher from a financial standpoint: 7.5 billion francs. His 1978 budget for research, development and tests by the Ministry of Defense represents 20 percent more than all the credits available to the minister of industry and nearly 35 percent more than the 5.7 billion administered by the minister of universities. The Directorate of Research, Engineering and Armament Techniques (DRET) which, in the military sphere, is the counterpart of the DGRST in civilian research is a veritable ferretter of fine techniques: 26 percent of the credits are going to chemistry, energy and propulsion; 14 to materials, technology and structures. DRET is also present in spheres already covered by the "civilians," the mechanical industry and fluid physics (12 percent), telecommunications and detection (14 percent) and general physics (18 percent).

#### Defense, No 1 on the Hit Parade of Expenditures

(1979 research budget in millions of francs.)

1. Ministry of Defense	7,500
2. Ministry of Industry (AEC, CNES [National Center for Space Studies], CNEXO [National Center for Ocean Exploitation], COMES [expansion unknown], Plan calcul, IRIA [Data Processing and Automation Research Institute], Actions)	6,022.7
3. Ministry of Universities (CNRS, ANVAR [National Agency for the Valorization of Research], Research Mission, Universities)	5,762.0
4. Ministry of Agriculture (INRA [National Institute of Agro-nomic Research])	823.1



[1979 research budget in millions of francs--continued]

5. Secretary of State for Telephone and Postal Services (CNET [National Center for Telecommunications Studies])	764.0
6. Ministry of Health and Family (INSERM [National Institute of Health and Medical Research])	636.2
7. Secretariat of State for Research (DCRST, Research Fund, Development Aid)	593.2
8. Ministry of Cooperation (ORSTOM [Bureau of Overseas Scientific and Technical Research], CERDAT [expansion unknown])	436.6
9. Ministry of Transportation (IRT [Transportation Research Institute])	277.0

Decentralization

At the same time, a reorganization of ANVAR (Agency for the Valorization of Research) is attempting an experiment in regional deconcentration, in which only major accounts would go to Paris. To be sure, the state would seek an intermediary. In 20 years the contribution of business firms for research expenditure increased from 30 to 45 percent, that is, 17 billion francs in 1979. But where Renault and Peugeot spend 1 billion francs, Ford spends 5 and General Motors 7 or 8. The petroleum groups spend 200 million while Exxon invests 1 billion. And in the electronic industries, which were coddled the most, the Ministry of Industry is urging the French firms to put forth additional effort to the tune of 5 billion francs in order to remain at the technological level of the United States, Germany and Japan: the state promises to assist them in that endeavor.

Quibbling

The third obstacle now remains, and not the least, that of decision. When the Ministry of Agriculture wants to put order into agronomic research, INRA is in turmoil. When the minister of universities tries to reform the statute of the CNRS, time is needed to overcome the quibbling. One step forward, two backward: reform has finally got started.

The Import of Technology Is a Short-sighted Policy

[An interview with Pierre Aigrain, secretary of state for research, by LE NOUVEAU ECONOMISTE]

[Question] You have just prepared a 10-year program for research. What is your recipe for greater effectiveness?

[Answer] First of all, research must be of sufficient quality and volume. The rate of replacement of research workers is one of the most difficult questions. Next, it is necessary for the major areas of activity of laboratories to deal with important current scientific problems and, at the

same time, answer the needs of French society. Finally, it is necessary for all users to have the desire and means to derive benefit from the results of the work. But I maintain that company heads do not yet come up with sufficient funds in comparison with the need for innovation in their sector. They undoubtedly hope that public organizations will offer them finished products ready for production and commercialization, or that they will always be able to obtain licences and the necessary knowhow from foreign sources after the research is completed.

[Question] Nevertheless, some countries, particularly Japan, have followed the policy of importing technology.

[Answer] That is a short-sighted policy. To remain with the case of France, it is true that knowhow can be purchased abroad, but not always in time, and always with restrictions. The acquisition of licences is the best alternative when it is a step toward an original technique. It is the worst alternative when it replaces research which should be done by the firm. In fact, the import of foreign technology can be only a palliative or a starting point. If certain firms have lost their competitiveness, it is because their research activity is insufficient.

LE N.E.: Is the CNRS reform bogged down? How long will it be bogged down? What is the status of the reform of other research organizations?

P.A.: I have no desire for reform just for the pleasure of it. In the research area reforms are often only the crystallization of a continuous adaptation. With regard to the CNRS, its operation dates from a time when that organization represented only a third of its current volume and when the rate of growth of funds devoted to research was considerable, about 15 percent. The situation has changed. That implies adaptations in the administrative structure, in management. We must proceed in the direction of a certain amount of decentralization while preserving the organization's essential unity.

3569

CEO: 3100

## PCE ORGAN COMMENTS ON GOVERNMENT'S ECONOMIC POLICY

Madrid MUNDO OBRERO in Spanish 22 Jul 79 p 5

[Editorial: "Economic Policy--From Bad To Worse"]

[Text] The capacity of the UCD [Democratic Center Union] government to surprise us is endless. When public opinion was hanging on the economic plan which should have been approved at the Cabinet meeting on Friday [20 July 1979] we found that, once again, decisions were put off which in the opinion of the public cannot be postponed.

On one hand parliament's decision that the government had to present a detailed economic plan prior to 10 July 1979 was thrown to the dogs. On the other hand to Fernando Abril a few hours are enough to give the green light to some increases in prices and public service rates whose effect will not be reflected in the mandatory wage escalation resulting from the 6.5 percent increase in the consumer price index on 30 June 1979 but, contrariwise, it seems that the Deputy Prime Minister did not have time in 2 1/2 months to stop and discuss an economic program with the ministers whom he has to coordinate.

If we indulge in speculation, the rumor which attributes to Fernando Abril the desire to postpone the discussion until the last moment of the general parliamentary meeting with the purpose of issuing at the 11th hour a vague, un-specific document that commits the government little or not at all may have some basis. This tactic could have clashed with that of other ministers, more concerned with the seriousness of the economic crisis and with the need to concretize measures and deadlines than with the repetition of nuisances and guidelines of behavior proper to the past.

Whatever the basis of the rumor, there is not the slightest doubt about the alarm generated by the analysis of the economic situation and the unawareness which those responsible for economic policy evidence. At this rate the year 1978 will turn out to have been excellent if it is compared with what we have now.

The number of unemployed increased by 57,000 in the first quarter. This means that at the end of the year we shall have about 250,000 more jobless workers than in early 1979. The price index, whose increases leveled off at the start to an annual rate of 12 percent projected from a monthly average, resumed its rise and today no one familiar with economics is betting that it will rise less than last year because he would lose. The public sector will evidence a scandalous deficit which will have the effect of burdening the weakest pockets. In the meantime, it seems that some want to confine us to relying on the magical virtues of a wizard for the solution of the catastrophe.

Pending what is to emerge from the next Cabinet meeting and following the meeting of the Delegated Committee for Economic Affairs held yesterday [21 July 1979], we must limit ourselves to making any comment on the basis of the chain of events and our experience.

One must fear that the government will try to discharge its guilt by blaming the latest hike in crude oil prices. But this gimmick is already so worn out that it will not help deceive anyone. The event has also been used by the government for other purposes. On one hand it appears inclined to increase tax revenues indirectly, frustrating the hopes placed in the fiscal reform approved by parliament whose statutory development and application remain to be seen. On the other, once the crucial point of 30 June 1979 was crossed-- a critical date together with the 6.5 percent increase in consumer price indexes for the revision of collective agreements, the pressure to hold down prices was lifted and their upward surge will appear unleashed when the figures for July and August 1979 are made public.

The government, or at least those sectors which manage to impose their opinion in the last analysis, is obsessed with a restrictive monetary policy as a decisive weapon against price increases. It is already time to revise such monetarist enthusiasm whose efficiency, when it is achieved, means paying a high cost in increased unemployment and reduced activity of firms.

It is appropriate also to draw attention to what seems to be a drive to disparage the public sector in connection with its high general deficit and that of some of its firms. Those spokesmen forget that it is they who are helping to form a deficit public sector, scrimping fiscal reform and systematically unloading on the public sector of the economy less profitable activities and firms experiencing losses while those reporting profits are retained.

However, to stress the matter once more, the most incomprehensible of all is the paralysis and indolence of the government whose most energetic means have been directed to containing the hike in wages such as decree-law 49/1978 of 26 December 1978, unilaterally imposing ceilings on wage agreements.

The UCD should be reminded that neither during the [Franco] dictatorship nor much less today is the country governed through the BOE [Official State Gazette] and the big stick but rather that agreements are necessary. However, the solution cherished by any sector of the government party is not marketable.

Indeed, it appears that some are thinking of a UCD-PSOE [Democratic Center Union-General Union of Workers Party] agreement or coalition, with an earlier breaku of the trade union unity of action of the CCOO-UGT [Workers Commissions-General Union of Workers], and the municipal agreements between the PSOE and the PCE [Spanish Communist Party]. The final goal would be to leave the communists out of very important decisions for the country's wage-earning workers. The sound way to overcome the crisis is very different however. While in the economic realm the government's policy based in the short run and the context of the macroeconomic sector has clearly failed, today the adoption of a plan for a period of from 3 to 5 years which would contemplate far-reaching reforms of the economic public and private apparatus, inherited from the Franco era, which fundamentally continues intact, is mandated more and more inevitably.

In the political realm, given the seriousness of the crisis and the demonstrated impossibility of imposing decisions that would pertain more to reactionary interests than to the peoples of Spain in general, the UCD government will not have any other remedy than to resort to acceptable means for everyone and not merely for the most right-wing sectors of the society.

In the last analysis, for the overcoming of the crisis to stop being an unattainable dream, it is necessary to have intermediate-and long-term economic plans that would include, together with economic policy, far-reaching structural and institutional reforms. But one cannot forget that the success of the management of the economic plan is not remain assured by the arithmetical sum of votes but passes thorough negotiation and the overseeing of the plan by political and social forces with the capability of making it viable.

2662

CSO: 3110



## BASQUE BUSINESS GROUPS FORM CONFEDERATION

Madrid EL PAIS in Spanish 21 Jul 79 p 30

[Article: "National Businessmen's Confederations in the Basque Region Established"]

[Text] Patxo Unzueta, Bilbao--With the inclusion of the Betere businessmen's association in EKOR [Confederation of Small-and Medium-Sized Businesses of the Basque Region]--formalized on Thursday [19 July 1979]--a new businessmen's group seems to have become consolidated, specifically differentiated from that represented by large firms and voluntarily limited to the confines of the Basque region.

At least, that was the hope expressed by the heads of EKOR at a press conference held in Bilbao shortly after the signature of the document establishing the Confederation of Bilbao out of its group. With this integration EKOR already includes, according to its promoters, more than 3,500 small- and medium-sized enterprises in Vizcaya and Guipuzcoa provinces and it is presently organizing its extension first in Navarra and then in Alava Province.

The initial efforts to establish a Basque businessmen's association occurred practically at the end of the Franco regime. An initial group, EINKOR, started in 1975, was to lead 2 years later to the rupture between on one hand ADEGUI--in which the influence of large firms is determinant--and on the other, KEOR, initially limited to Guipuzcoa and supported fundamentally by the small industrialists of the province. In parallel fashion, in Alava the SEA [Association of Businessmen of Alava] emerged.

On 4 July 1979 ADEGUI and SEA formed a confederation in a single businessmen's association, similarly including sectors which in 1975 and 1976 had refused to support ADEGUI because they considered it too highly influenced by nationalist ideas. The following day, on 5 July 1979, EKOR held a special congress in which it decided to move forcefully toward a confederal structure, encompassing the entire Basque region and beginning with its merger with the Betere group in Vizcaya Province.

The differentiation among various sectors of Basque businesses which these procedures reflect was forged largely during the strikes of the first quarter of 1979. The lengthy dispute in the metal sector provided the occasion for an undetermined number of small businessmen of Vizcaya--the local press mentioned a figure of 300--to quit the CEOE [Spanish Confederation of Employers Organizations], and get in touch with EKOR. Those sectors blamed the CEOE for its "lack of bargaining flexibility" and for acting "according to the strategy of the large firms."

In its initial public declaration, Betere-EKOR--the designation which the confederation in Vizcaya came to adopt--began by expressing its "unconditional support of the Statute of Guernica" and issued a call "to the trade union federations, the other businessmen's organizations, and the appropriate authorities" to advance as fast as possible toward the "building of a specific framework of trade union relations for the Basque region."

In the same document a series of antirecessionary measures was requested from the administration. Their cutting edges were to be the access of small- and medium-sized firms to public and private credit, reforms in the form of the financing of Social Security, some fiscal benefits, and determined support for the exporting sector.

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CSO: 3110

## PROSPECTS FOR 'CRISIS' IN EXPORT SECTORS FORESEEN

Madrid ABC in Spanish 6 Jul 79 p 37

[Article by Jose Luis Carrascosa: "According to Administration Forecasts, A Foreign Trade Crisis Is Getting Close"]

[Text] The increase in the price of crude oil, growing inflation, and the loss in competitiveness of the Spanish economy, together with a foreseeable drop in receipts from tourism will deal a hard blow to the peak level--spectacular in the last 3 years--of our exports. The Ministry of Commerce is now preparing a report in which it analyzes the projected dimensions of this "slowdown" in Spain's foreign trade.

Spain's business "boom" is easily quantifiable. In 1978, when the average growth rate in the exports of the member-states of the OECD [Organization for Economic Cooperation and Development] was about 5 percent, Spain exceeded 29 percent (27 percent expressed in U.S. dollars). From exports estimated at U.S. \$8.7 billion in 1976, Spain managed to exceed \$13 billion in 1978. In those 3 years the rate of coverage of our foreign trade jumped from 49 percent to nearly 79 percent.

## Effective Revaluation

In 1979 the new prices approved by OPEC and especially the real revaluation of the Spanish peseta compared to the United States dollar threw cold water on the euphoria of exporters. In the Ministry of Commerce it is figured that the impact of the new cost of crude oil will reduce to U.S. \$1 billion, that is, to nearly half, the estimated surplus on current account balance.

This is clearly the macroeconomic picture which is not of great concern to the businessman involved in selling abroad when each month he computes the balance resulting from his operations. The tune of our exporters has continued unchanged since mid-1978: "It is impossible for us to sell at an exchange rate of only 66 Spanish pesetas per United States dollar. The effective revaluation of our currency compared to the United States currency completely undermines the business aggressiveness which the government has proclaimed so joyfully."

The balance of the first 4 months of 1979 makes the businessmen right. In that period--prior to the OPEC meeting--imports grew by 6.4 percent in monetary terms but in real terms they rose by 8.6 percent. In the meantime exports increased by 16.8 percent which in real terms represents only 6.7 percent. The figures indicate a clear tendency toward a worsening of our trade imbalance even before record levels in crude oil prices.

#### Reduced Surplus

On analyzing these data and the estimated drop in tourist revenues the bulletin SERVEX published by the Bank of Bilbao considers it impossible that Spain should be able to maintain the surplus of U.S. \$1.5 billion which it had last year. On its part the Ministry of Commerce notes that that surplus will "in no case" fall below \$800 to \$900 million..

The Ministry of Commerce minimizes the consequences of a drop in tourism. Official estimates--it is asserted in the ministry--were made by anticipating a very bad year but these projections still yield an acceptable surplus. The balance so far is as follows: By way of revenues the inflow of receipts has increased by about 45 percent with a rise of 14 percent in the number of tourists. Nevertheless, disbursements have risen by some 50 percent and outflows abroad by 38 percent. The figures indicate on one hand that Spain is constantly hosting more tourists with high purchasing power and also that we Spaniards travel abroad more and more.

#### "The Impossible Devaluation"

Viewing these data together with business projections and the impact of oil, at the Ministry of Commerce it is considered impossible that the government should even plan that devaluation of the peseta which exporters are demanding as relief. "If the dollar were quoted suddenly at 80 pesetas," a senior official noted, "right away more than 3 billion in inflows would enter Spain, which would lead to a serious imbalance in the domestic economy. We are fully aware of the serious difficulties experienced by exporters many of whom survive only thanks to the system of pushing their collections forward and delaying payments.

"This year we anticipate an increase in our reserves estimated at between \$2.5 and \$3 billion. Exporters know perfectly well that the important factor in currency rates is not the volume of the reserves but rather their variation. And that is the instrument on which we rely. The possibility of a devaluation must be dropped right away."

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CSO: 3110

## SPAIN

### RESUME OF 1979 SPANISH BUDGET

Madrid THE SPANISH ECONOMIC NEWS SERVICE in English 24 Jul 79 pp 10, 12, 13

[Text] The STATE GAZETTE of the 20th inst. carried on 42 pages the Spanish Budget 1979 as well as the breakdown of the 75M and 20M special credits mentioned in art. 19 of the Budget Law. We reproduce the figures in the table on page 12th (in m ptas).

Under art. 19, 75,000m ptas have been allotted to various ministerial departments with Industry and Energy (20M) and Public Works (15M) as the two main items. Concerning the revenue, the list is as above.

The maximum amount of metal coins has been fixed by the budget law at 40M ptas. The official credit will receive from the Treasury 140M ptas, which may be increased by 20M in order to finance the steel industry, shipyards and other sectors in crisis, and meet the most urgent demands of the local administration. 9.5M ptas will be used for labor-creating programs. -Tax collection has increased in the first months of the year by 23.07% to 689M ptas. -Incidentally, a number of extraordinary credits were granted by the Budget Committee chaired by Fernandez Ordonez. They include 900m ptas for press subsidies, 241m ptas for subsidizing air traffic between Peninsula and CI, 8472m ptas to cover the deficit of the Renfe, 9395m ptas to cover the costs of general and local elections, and 165m ptas to financial aid for political parties. -Although no clear statement can be found, the press says that the Govt. has to study not only the economic plan (promised for July 10 and then postponed to the 20th, two dates which have already passed), but also study ways and means to reduce the deficit which had been originally assessed at 194M ptas and which seems to be now over 400M ptas. To reduce this deficit, there are three possibilities open to the Govt.: (1) to raise taxes, (2) to reduce expenditure of the public sector, or (3) to modify the entire social security system. The increase of the deficit is due (i) to extraordinary credits of roughly 55M ptas, (ii) Social welfare expenditure has risen by 170M, which will still leave a deficit of 90M ptas, (iii) The public enterprises and, especially, the INI need another 30M ptas to avoid bankruptcies, and (iv) a similar amount is needed by the local administration. This gives a total of 400M ptas, a figure considered by a number of commentators as erring on the optimistic side. The Cabinet is now studying a plan to cut the deficit by 100M, partly by (1) a linear reduction of all current



account expenditure in Ministerial departments by 2%, which would save 35M ptas; (2) a salary freeze of at least one year, which would save another 25M ptas; (3) severe controls in the social welfare situation, especially with regard to the unemployment level, where Fraud is rampant since the trick of collecting the dole and doing at the same time some well paid botching work is now thoroughly current. Moreover, local administrations will be allowed to raise taxes and dues, a liberty they had lost under the tax reform. -The budget law 1979 includes for the first time a figure of the costs of tax collection, which represents 26.9% of tax revenue, against 34% in USA and 41% in UK, with a total of 445M ptas. Its breakdown shows 62M ptas for the income rebate on investment in housing, 50M ptas corporate tax rebate for investments, and 64M ptas on HTCL for investment of capital goods. Indirect taxes rose by 13% in Jan.-Feb. against a general revenue increase of 46% during the same two months. It would seem that the luxury tax on cars will be made progressive "ad valorem," which would severely handicap the car market already sufficiently demoralized by the petrol prices. The tax will be linear for all cars and may well amount to 26%. -The BoS has circulated performance regulations to banks and savings institutes stipulating that under no circumstances should time deposits of less than one year be treated as sight deposits, an order meant to kill the "grey money" practices in the market. The Top Seven among the banks have also committed themselves not to issue any three month certificate of deposits, although some facilities may be given in this respect to industrial banks for amounts not less than 1m ptas. -Nothing was said as to whether these regulations will be in force during the two critical months of August and Sept. -The interbank market was spotty and jerky with 13 1/2 for overnight. The amount of Treasury bills in circulation was 41.6M ptas on July 21.

# SPANISH BUDGET 1979

(In m.Pts.)

The King's Household	156.8
Parliament	2,592.1
Public Debt	39,740.3
Clases Pasivas	125,228.0
Comptroller	180.7
National Funds	58,155.0
Presidencia	48,703.1
Foreign Affairs	9,824.7
Justice	34,668.0
Defence	236,812.6
Finance	26,003.3
Interior	111,750.1
Public Works	128,857.8
Education	301,683.8
Labour	5,928.8
Industry	41,265.8
Agriculture	73,698.8
Trade	17,576.1
Economy	2,668.1
Transport	134,635.9
Health & Soc. Security	185,501.5
Culture	27,030.3
Misc. dep	128,837.9
Pre-autonomy org.	2,000.0
<b>TOTALS</b>	<b>1,747,500.0</b>

## BUDGET REVENUES (In M. Pts.)

Direct taxes	730,135
Indirect taxes	693,050
Duties and other receipts	99,586
Current transfer	47,215
Revenue from state property	84,943
Miscellaneous receipt from sales	1,000
Changes in financial assets and liabilities	24,071
<b>TOTALS</b>	<b>1,680,000</b>

CSO: 3120

## LEFT PARTY COMMUNISTS OUTLINE CAMPAIGN STRATEGY

Stockholm DAGENS NYHETER in Swedish 26 Jul 79 p 11

[Text] The Left Party Communists (VPK) are planning to spread their gloomy election campaign message by song and burlesque. It has to do with unemployment and the economic crisis--which the communists call "the crisis of capitalism."

With the rented fishing vessel "Ariel," a pretty hermaphrodite schooner built in the revolutionary year 1917, the party workers--politicians and performing artists--have been sailing around the coasts and on the Göta canal since 5 August. Every trip ashore for a month turns into a political meeting, with singing, games, on the theme "hard aport" [i.e., to the left].

Former party leader C.-H. Hermansson declares that it is certainly all right to laugh and joke about election issues, about politics. It is an old communist tradition to present the message in the form of satire. And why not spice it with a little playing and dancing on the bridge? For there will be dancing wherever the vessel docks.

"We will make the election campaign into a folk festival," says C.H. Hermansson.

"For as the sirens sang for the bound Ulysses, we shall sing of work, solidarity, and love. With our sharp tongues we shall stick holes in Nicolin, Wallenberg, and little Anders Wall and their inflated arguments for credit and sweatshops."

That is the way the theater group on board the "Ariel" sees its part in the election campaign. It promises to "hang a millstone on their crisis packet (the SAF's [Swedish Employers' Confederation] and the bourgeois parties') and sink it in the deepest spot in the sea."

C.H. Hermansson has also enlivened the gray of everyday politics until he can get people to listen. He did that not long ago in the Riksdag when he presented a motion in the form of an amusing fable.

"Furthermore, we communists have never separated politics and culture," he says as he stands on board the fishing vessel surrounded by the 10 or so actors and musicians who are to help the VPK get votes in the fall election.

#### Stocktaking

"Most of those in the theater group are either VPK members or sympathisers," says actor Björn Granath. "Otherwise this sort of thing wouldn't work."

The actors who are engaged in the theater group Narren or the singing group Bella Ciao have prepared for the tour in detail. For weeks they traveled around and visited every place where they were going to go ashore. They took stock of the local problems, such as unemployment or lack of day care.

With that material as a basis, they later wrote texts for more or less every place. The text writers are Gunilla Ambjörnsson, Björn Granath, Hans Hellberg, and C.H. Hermansson. The music is composed by Kjell Westling and Leif Nylen.

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## WERNER: PALME MUST REJECT COOPERATION WITH NONSOCIALISTS

Stockholm DAGENS NYHETER in Swedish 27 Jul 79 p 6

[Article by Åke Ek Dahl, special correspondent for DAGENS NYHETER]

[Text] Visby, Thursday [26 Jul]-- "Shut the door to the right, Palme!" The exhortation comes from VPK [Left Party Communists] leader Lars Werner. He suspects that Palme can patch together a government with Ullsten or Fälldin if the occasion arises after the election. From platforms all over the country Werner is demanding to know, and Almedalen in Visby was no exception.

For a week Palme stood on the same spot. He settled with Bohman and the forces of the right, but did not say much about the Liberals and the Center. The VPK leader noticed that, and now he is uneasy, either really or feignedly. Representing Palme as unreliable may lure voters on the left wing of the Social Democratic Party to the VPK. But there are signs, Werner thinks, that indicate that the Social Democrats are thinking of collaborating across bloc lines.

In his speech Werner said:

"Outgoing Social Democrats prefer government collaboration with the Center. Others advocate collaboration with the Liberal Party. All doors are being kept open. Governments are put together as if it were a football match. The main question is what use the power is to be put to."

## VPK Support

Later he asked Palme:

"Are the Social Democrats thinking of participating in a government with the Center or the Liberals?"

Werner thought for his part that Palme should listen to the trade union people and the radical Social Democrats and shut the door to the right.

The VPK leader figures that Palme needs VPK support in the Riksdag to get in power, and is asking him for political promises now.



"If there is a socialist majority in the Riksdag, will the Social Democrats together with the VPK nationalize the Wallenberg empire, introduce a new system of taxation, combat unemployment, introduce wage and price ceilings, and cut down on military expenditures?"

At a press conference Thursday afternoon Werner declared that he had no desire to get in power together with Palme, but emphasized the significance of a majority in the Riksdag for both of their parties.

#### Presumptuous

"It is not a primary aim for us to get into the government. It would be a little presumptuous for a party with 5 percent of the votes to make a claim to collaboration in the government."

Werner will plague Palme with this question throughout the election campaign, as well as with the demand that the Social Democrats declare themselves on the nuclear power question before 16 September.

"What has been said thus far in Almedalen resembles most of all a Punch and Judy show where the politicians knock each other on the head to their heart's content," Werner said at the beginning of his speech. Instead of that, he wanted a debate on the oil crisis, housing policy, prices, and employment.

The oil company swindle can be cleared up only by nationalizing the whole oil industry, Werner thinks, and he wants Palme with him on that demand.

#### Trumped Up

But he will not subscribe to the contention of Birgitta Hambræus, leader of the People's Campaign and member of the Riksdag, that the whole oil crisis is trumped up by the advocates of nuclear power.

The VPK leader asks for information from Palme about the Social Democrats' position on the nuclear power question. He cannot support a Social Democratic government that makes the expansion of nuclear power a priority matter, Werner explained, and went off to a TV interview on the oil policy.

"Gotland is not strongly pro-VPK. We must think of our job as something of a pioneering work," Jan Erik Eriksson, local party chief, explained. The party work was entirely done and out in the 1950's and 1960's. It was not until 1975 that the VPK again set up an organization on Gotland. In the 1976 election the VPK got about 1,000 votes, or about 3 percent, and that gave the party its first seat.

But the core of the party is made up of stonebreakers in the north.

"The fact that our VPK people in Visby acknowledge Jan Erik Eriksson causes its problems. It is not uncommon for people to confuse our party organ NYA DAG with the Postcentral Journal's organ DAGEN."

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## PALME CALLS FOR NEW CLAMPDOWN ON TAX CHEATERS

Stockholm DAGENS NYHETER in Swedish 25 Jul 79 p 3

[Signed article by Olof Palme: "Solidarity is in Danger"]

[Text] It is the weak and vulnerable groups that are hardest hit by economic crime, Olof Palme writes. It must be combatted so that we can keep our open society. There is a great deal of talk about protection for legal security and personal integrity. But legal security requires that the laws be obeyed, and personal integrity is not the same as financial integrity for certain individuals.

Some time ago I read in the paper about how certain people escape taxes. A number of businessmen seem to find it particularly hard to keep track of their papers. When the tax authorities show up the books mysteriously disappear. One businessman complained that the children made paper birds out of his accounts. Another let his entire bookkeeping materials go to the paper reclamation center by mistake.

Another businessman excused himself on the grounds that his dog was so greatly charmed with paper that he had eaten up all the accounts. It must have been a starved beast. Perhaps it had been hit by Bohman's belt-tightening policy, so that it saw nothing else to do but, as a last resort, to chew up its master's accounts.

## Social Evil

This may seem comical, but really it is deeply serious. Tax cheating is a social evil. It is a threat to solidarity. Most people are law-abiding, loyal citizens. They are ready to pay taxes to main our welfare society. But if they can see that tax cheating is widespread, that it pays some to get out of their tax obligations, then solidarity is in danger. The basic moral values of society themselves are undermined.

As citizens and taxpayers, we are all hit by tax evasion. Every year the government loses billions in unpaid taxes. That means that all loyal taxpayers have to pay higher taxes than would have been necessary otherwise.

The citizens also get poorer public services than would otherwise have been possible.

In recent years there has been a great deal of talk about economic crime. Often it is directed against the public through tax cheating, but many individuals are also hard hit.

It may be a matter of companies that pay black wages, so that their employees lose the ATP [general supplementary pension] and other social benefits. A great many firms are systematically stripped of their assets and forced into bankruptcy. Often money is smuggled out of the country. The ones left holding the bag are the employees that have lost their jobs.

Some concerns violate the labor regulations and environmental laws. Thus the life and health of many people are endangered for the sordid economic gain of a few.

We have cheating in the real estate market. Undercover deals, rental houses that are allowed to fall into ruin, people left without housing.

There is also a connection with organized crime. Fences sell goods that narcotics users have stolen to get money to buy drugs. Stolen automobiles are driven into and out of the country to make detection harder. There are illegal gambling clubs and procuring in the form of brothels. People are debased and exploited. People are drawn into a morass of drug abuse, prostitution, and crime.

#### Passivity

In the fight against tax evasion and economic crime the bourgeois parties have shown a shocking passivity. For the most part they have spent their energies on retarding or watering down our efforts or throwing them in the wastebasket. I do not doubt that many middle-class people feel an honest outrage at the economic crime and a desire to do something about it. But at the same time there is a peculiar division and paralysis when it comes to really coming to grips with the problem. The conservatives in particular act with a remarkable inconsistency.

They talk a lot about lowering taxes. The people are groaning under the tax burden, they say. But they are very lukewarm when it comes to giving society effective tools to get after tax evasion. And yet it is precisely by a more effective tax inspection that we could reduce the tax burden on all ordinary law-abiding taxpayers.

The conservative forces often talk about law and order, restraints, and compulsory measures in various fields. They would like to have it that way in the school and in economic life, in the system of criminal justice and in the social welfare system. But when it comes to tax evasion and economic crime, the tone often changes. Then we hear a great deal instead about how important it is to protect individuals against society, how important legal security and protection for personal integrity are.

And of course we will attach weight to legal security in society. Obviously we want to protect personal integrity. But we mean something different and much more important when we talk about legal security and personal integrity.

A big part of the meaning of legal security is that laws shall be obeyed. If in a democratic system we decide upon certain rules in society, we must also see to it that they are followed in practice. Otherwise it is easy for a contempt for laws and social institutions to spring up.

Legal security also means that the laws shall apply equally to all. For if people can see that certain groups systematically break the laws without risking any consequences, it impairs their feeling for justice. A just society demands respect for the laws, and demands that people be treated equally.

### Pecuniary Integrity

When you hear people in certain circles talking about protection for personal integrity, they usually seem to be thinking about money. It sometimes sounds more like protection for pecuniary integrity. And certainly people should have the right to make decisions about their private economy. But it cannot mean that certain individuals can systematically break our laws and escape taxes. Society must have certain ways of seeing to it that the laws are obeyed. That is necessary if we do not want the law of the jungle to prevail.

Now in general it is not people's private economy that is the problem at issue in tax evasion. Tax evasion occurs in all groups. But most wage-earners and annuitants have quite simple economic circumstances. They do not have great opportunities to evade taxes even if they should like to do so.

Businesses offer a **much** greater problem here. And, of course, industrialists also have a right to control their private economy, right to protection of their personal integrity. But the same claim to protection cannot apply to businesses as such. Here there are interested parties besides the owner. The employees' just claims to security must also be considered. There is the consumers' interest in getting to buy sound goods and services. There are the customers' and suppliers' need for sound business relations. And there is society's demand that businesses be run in accordance with the prevailing laws and values.

Companies are sometimes spoken of as juristic persons. But juristic persons cannot have the same protection for their integrity as persons of flesh and blood. The company may sometimes have well-motivated need of secrecy to protect its business secrets against competitors. But it does not need the same loving care as our fellow men.

When we Social Democrats talk about personal integrity, we are not thinking of money alone. We mean something different and much more important. We

are thinking of all people getting to live a worthy and meaningful life, having a chance to grow and develop. We are thinking that every person shall be treated with respect and consideration.

### The Weak Groups

It is not the currency smugglers' and the real estate sharks' personal integrity that is threatened. Here, as in other respects, it is the weak and vulnerable groups that are hardest hit. It is people that do not get work, people that are excluded from the social order. It is people that are exposed to society's coercive measures, in welfare institutions and institutions for alcoholics. It is also the victims claimed by economic crime.

To the Social Democratic Party it goes without saying that these are the people to be protected. It is these people that need our concern first of all.

If we win the election on 16 September, we shall again take up the fight against economic crime. Let me briefly mention a few examples of measures that we will propose:

Tax inspection should be expanded and a nationwide campaign should be waged against tax fraud and tax evasion.

Our proposal for a general provision against tax evasion should be adopted.

Currency control must be improved.

Measures should be taken to deal with the "gray market" labor force.

The bankruptcy laws should be changed to check the abuse of what are called "poor bankruptcies."

The "Lex Backström" should be tightened up to prevent unsuitable persons from acquiring rental properties.

To counteract abuses within certain lines of business, tighter requirements should be set for permits to operate businesses. In certain cases it should be possible to resort to denial of the right to engage in trade.

We do not propose these measures because we are friends of harsh measures and increased controls. We do it out of concern for the common people. Because a just society demands that we have certain rules in common and that these rules be obeyed. Because we attach importance to solidarity and harmony among the people. Otherwise we shall not be able to cope with the problems of the future. Otherwise we shall not be able to keep an open and generous society.

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## CENTER PARTY PROMISES LOWER TAXES, MORE JOBS

Stockholm DAGENS NYHETER in Swedish 28 Jul 79 p 3

[Article by Åke Ekdahl, special correspondent for DAGENS NYHETER]

[Text] Visby, Friday [27 Jul]--Less steeply graduated income tax in the fall--that is the Center Party's first big campaign promise. Karin Söder, vice chairman, made a party leader speech at Visby on Friday, since Thorbjörn Fälldin, the leader of the party, is on vacation in the mountains.

She drew up guidelines for the party discussions on taxes in the fall, promised employment to Gotlanders and the rest of the country, and talked more than anybody had before in Almedalen about Gotland's problems.

Last spring the Center Party together with the Social Democrats came up with a proposal in the Riksdag for lowered tax differentials.

Nor did it approve of the government's proposal to take the tax reduction in the spring and postpone payments until fall. Now the Center has thought the matter through, and Karin Söder considered a reduction in the tax differentials as the most suitable measure in the tax field.

She emphasized that the tax relief would have to be compensated for by revenues in another form to keep the state finances going. The Liberals and the Center Party are in agreement on that point, she said, and called the Conservatives' demand for tax reduction without new tax revenues illusory.

"The Center Party's line is that the Riksdag will decide in the fall about tax reductions effective from the first of the year. But we cannot accept the scheme the Liberal Party has worked out.

"We have two indispensable requirements to ensure the reduction in the tax differentials. In the first place, a reasonable division of costs between the central government and the municipality must be guaranteed. And there must be an adequate municipal tax equalization. In the second place, the

inflation adjustment for the tax scales must be retained."

Employment was the other big question dealt with in her speech.

Söder noted the party leaders' interest in Visby this summer.

"The measures proposed are based on taking into account Gotland's own assets --soil, timber, climate, water all around--and creating more by higher education on the island." That costs money, perhaps a billion [Swedish kronor], but that was an investment Söder considered the state could make.

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## FRENCH-SPEAKING FRONT OPPOSES FEDERAL CONSTITUTION DRAFT

Zurich NEUE ZUERCHER ZEITUNG in German 28 Jul 79 p 21

[Article by O.F.: "'French Front' Against Draft Constitution"]

[Text] Only a year ago young liberal politicians in Geneva warmly championed general revision of the confederate constitution and publicly defended the draft prepared by the commission of experts. Now, however, they are shrugging their shoulders and say that "the draft will not be approved." If such weary resignation is the order of the day even in Geneva which traditionally reacts to new concepts with a certain nervous sensibility, the outlook for other western areas of Switzerland is grim indeed.

## Protest Against the Term "Swiss State"

It is as if the French speakers were intent on creating a "zone of silence" around general revision, with the aim of defending themselves against the term "Swiss state," which is to be found in the French text of the draft constitution and considered by them inappropriate if not outright scandalous. For the French speakers the country is the "confederation," the "issue" of the 26 sovereign nations. The "state" is the canton--and that is a conviction which they consider properly reflected in article 1 of the current constitution. The French speakers do not recognize the term (admittedly not really amenable to translation into French) "confederacy" and its historic-religious meaning; the description "confederation" and "confederate" appositely defines their relation to the federation.

## Instinctive Rejection

While the rejectionist attitude to the general revision of the federal constitution doubtlessly arises from far deeper layers (such as the federalist instinct), its actual motives are hardly ever articulated. Since World War II French speaking Swiss citizens have noted, with some disquiet, the steady encroachment of the central power exercised by the Confederate Government, mainly due to the institution of subsidies. They are unwilling to go one step further and have this actual trend codified. It seems tacitly

to be agreed that it would be best not to make any move at all. Those concerned tend to disguise their defensive reactions by various high sounding "statements," such as the doctrine that revisions of the constitution are a matter for times of social upheaval or intellectual revolution, neither of which is indicated. After all, ever since the recession, all signals have been set to caution and the maintenance of the status quo.

#### Unceremonious "No" from Lausanne

As was to be expected, Vaud Canton represents the "hard core" of resistance to the draft constitution. The seven state councillors in Lausanne Palace issued a joint declaration which sounds rather arrogant, curtly rejecting any further discussion of the matter. They justified it with the argument that the project submitted by the Furgler Commission intended the confederation, structured "from the bottom up" by the history and nature of the 26 cantonal nations, to be replaced by institutions designed to work "from the top down." Such a structure, they said, goes against the grain not only of the majority in Vaud but also of a large majority of people in other cantons. Alone the abandonment of the principle of primary cantonal sovereignty, established in article 3 of the current constitution, must be held to justify the decision not to approve the new draft. Moreover, the Vaud Government insisted, at the moment no majority in Switzerland is prepared to vote for a revision of the confederate constitution.

However much the council of state's curt reply may reflect the sentiments of the traditionalists, it has not pleased everyone in Vaud, especially not those intellectuals who plead for receptivity to new ideas and courtesy in dealing with the Confederate Government. In the Lausanne newspaper 24 HEURES Michel Perrin described the cantonal government's statement as "embarrassing and frivolous." He went on to say that, "rather than merely spit in the soup," it would be desirable to display another kind of attitude with regard to the assertion of a separate persona within the Helvetian family. The Geneva paper LA SUISSE had a similar comment. It accused the gentlemen in Lausanne Palace of "contemptuous pride."

#### Vaud--A "Confederalist Hedgehog"

Yet such sporadic criticism should not mislead us into forgetting that the Vaud Government is in fact backed by the "big battalions" on Lake Geneva. The alliance of opponents of the federal draft constitution ranges from the Vaud League and the liberals far into the ranks of the left. A year ago, for example, socialist "finance minister" Andre Gavillet, in his youth profoundly influenced by the Vaud League, fired off a public broadside against the project. Philippe Hubler, secretary of the Vaud employers association and known as an incisive debater, conducted a public polemic (and was effectively supported therein by Otto Fischer), in the course of which he tore the draft to shreds. The Vaud League has long campaigned against Confederate Councillor Furgler, often invoking highly personal issues. The league champions a strict construction of the concept of federalism from the specific standpoint of Vaud history.

#### More Sophisticated Reactions from Neuchatel, Fribourg and Geneva

Though, essentially also skeptical, the official pronouncements of the governments in Neuchatel, Fribourg and Geneva are far more sophisticated. Especially interesting is the "Reply by the Neuchatel Government," issued on the basis of the studies carried on by a blue ribbon committee. This does more than set forth criticism and reservations, it actually submits suggestions such as that for simplifying the distribution of functions between the confederation and the cantons. A similarly sophisticated reaction came from the government in Fribourg which noted "serious reservations" with respect to the article on property and economic policy and also called for more guarantees regarding cantonal powers. Taken all in all, the French canton governments advocate a "revival of federalism."

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